8 9 3 6 2 4 6 5 89362465

Commercial Construction Mortgage
Land Trust

DEPT-01 RECORDING $20.00
T#0000 TRAN 2025 08/07/89 15:13:00
#4521 # C *-89-362465
COOK COUNTY RECORDER

MORTGAGE

THIS INDENTURE, made July 11, 1989 between FIRST STATE BANK & TRUST COMPANY OF PARK RIDGE, as Trustee under Trust Agreement dated July 11, 1989, and known as Trust Number 2041, (herein referred to as "Mortgagor") and FIRST STATE BANK & TRUST COMPANY OF PARK RIDGE, an Illinois banking corporation (herein referred to as "Mortgagee") witnesseth:

89-376

THAT WHEREAS, Mortgagor has concurrently herewith executed a Mortgage Note (herein referred to as the "Note") bearing even date herewith in the principal sum of One Million Two Hundred Fifty Thousand and 00/100 Dollars ($1,250,000.00) made payable to Mortgagee and delivered, in and by which Note, Mortgagor promises to pay on or before the earlier of one year from date of disbursement or September 1, 1990, the said principal sum with interest as set forth in the Note. 89-362465

All such payments on account of the indebtedness evidenced by said note to be first applied to interest on the unpaid principal balance and the remainder to principal. All of said principal and interest being made payable at the principal office of the Mortgagee in Park Ridge, Illinois.

NOW, THEREFORE, the Mortgagor to secure the payment of said Note in accordance with its terms and the terms, provisions and limitations of this Mortgage, and all extensions, modifications, and renewals thereof, together with interest and charges as therein provided, and the performance of the covenants and agreements herein contained and the terms and conditions of that certain loan commitment dated June 20, 1989 by the Mortgagor to be performed, and also in consideration of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, do by these presents Mortgage and Warrant to the Mortgagee, its successors and assigns, the following described Real Estate in the County of Cook and State of Illinois, to wit:

89362465

See attached Exhibit "A"

P.I.N. #17-06-435-041

which, with the property hereinafter described, is referred to herein as the "premises,"

This Mortgage secures an obligation incurred for the construction of improvements on the land, and constitutes a "Construction Mortgage" within the meaning of Section 9-133(i)(c) of the Illinois Uniform Commercial Code.

3200

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TOGETHER with all improvements thereon situate and which may hereafter be erected or placed thereon, and all appurtenances, rights, royalties, mineral, oil and gas rights, and easements thereunto belonging and the rents, issues and profits thereof, which are hereby expressly conveyed and assigned to the Mortgagee as additional security and as an equal and primary fund with the property herein conveyed for the repayment of the moneys secured by this Mortgage, and any and all appurtenances, fixtures and equipment in or that may at any time be placed in any building now or hereafter standing on said premises.

It is mutually covenanted and agreed, by and between the parties hereto that, in addition to all other things which at law or by convention are regarded as fixtures, and specifically but not by way of limitation all shades and awnings, screens and carpets, shrubbery, gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, bathtubs, sinks, water-closets, basins, pipes, faucets and other plumbing and heating fixtures, mirrors, mantels, refrigerating plants, iceboxes, electric refrigerators, air conditioning apparatus, cooking apparatus and appurtenances, and such other goods and chattels as may ever be furnished by a landlord in letting and operating an unfurnished building, similar to any building now or hereafter standing on said premises, whether or not the same are or shall be attached to said building by nails, screws, bolts, pipe connections, masonry, or in any other manner whatsoever, which are now or hereafter to be used upon said described premises shall be conclusively deemed to be "fixtures" and an accession to the freehold and a part of the realty, whether affixed or annexed or not, and conveyed by this Mortgage; and all the estate, right, title or interest of the said Mortgagor in and to said premises, property, improvements, furniture, apparatus, furnishings and fixtures, are hereby expressly conveyed, assigned and pledged; and as to any of the property aforesaid, which does not so form a part and parcel of the Real Estate or does not constitute a "fixture" as such term is defined in the Uniform Commercial Code. This Mortgage is hereby deemed to be as well a Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to the Mortgagee as Secured Party (as such term is defined in the Uniform Commercial Code).

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TO HAVE AND TO HOLD the above described premises with the appurtenances and fixtures thereto appertaining or belonging unto the Mortgagee, its successors and assigns, forever, for the purposes herein set forth and for the security of the said obligations hereinbefore described, and interest thereon and free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, which said rights and benefits the said Mortgagor does hereby expressly release and waive.

In addition, the Mortgagor covenants with the Mortgagee as follows:

1. Mortgagor shall promptly pay when due without set-off, recoupment, or deduction, the principal and interest on the indebtedness evidenced by the Note and any late charges as provided in the Note.

2. Mortgagor shall (1) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed; (2) keep said premises in good condition and repair, without waste, and free from mechanic's or other liens or claims for lien not expressly subordinated to the lien hereof; (3) pay when due any indebtedness which may be secured by a lien or charge on the premises superior to the lien hereof, and, upon request, exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee; (4) complete within a reasonable time any building or buildings now or at any time in process of erection upon said premises; (5) comply with all requirements of law or municipal ordinances with respect to the premises and the use thereof; (6) make no material alterations in the premises except as required by law or municipal ordinance.

3. Mortgagor shall immediately pay, when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer service charges, and other charges which may be levied against the premises, and furnish to Mortgagee duplicate receipts thereof within thirty (30) days after payment thereof.

4. Mortgagor shall keep all buildings and improvements now or hereafter situated on said premises insured against loss or damage by fire, lightning and such other risks and hazards that are insurable under the present and future forms of all-risk insurance policies providing for payment by the insurance companies of moneys sufficient to pay the greater of either the cost of replacing or repairing the same or to pay in

full the indebtedness secured hereby, all in companies satisfactory to the Mortgagee, under insurance policies payable, in case of loss or damage, to Mortgagee, such rights to be evidenced by the standard mortgage clause to be attached to each policy, and shall deliver all policies, including additional and renewal policies, to Mortgagee, and in case of insurance about to expire, shall deliver renewal policies not less than ten days prior to the respective dates of expiration. All policies of insurance shall contain 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. If the insurance policies referenced herein contain a co-insurance clause or provision, Mortgagor agrees to maintain insurance coverage which is at all times in compliance with said clause or provision.

Mortgagor shall furnish Mortgagee with evidence satisfactory to Mortgagee that flood insurance is in effect if Mortgagor has failed to demonstrate to Mortgagee that the premises are not located in an area designated by the Secretary of Housing and Urban Development as having special flood hazards.

5. In case of loss by fire or other casualty, 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 either (i) to settle and adjust any claim under such insurance policies without consent of Mortgagor, or (ii) to 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 the event Mortgagee elects to apply said insurance proceeds in reduction of the indebtedness secured hereby, all expenses and fees of collection shall first be deducted and paid to Mortgagee, and it is further covenanted and agreed that should the net insurance proceeds be insufficient to pay the then existing indebtedness secured hereby, together with all accrued interest thereon, fees and charges, Mortgagee may, at its sole election, declare the entire unpaid balance of the debt secured hereby to be immediately due and payable, and the failure of the payment thereof shall be a default hereunder.

In the event Mortgagee elects to permit such insurance proceeds to be applied to pay for the cost of rebuilding or restoration of the building and improvements on the premises, such funds will be made available for disbursement by Mortgagee.

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In the event such proceeds are applied toward restoration or rebuilding, the buildings and improvements shall be so restored or rebuilt as to be of at least equal value and substantially the same character as prior to such damage or destruction. Such proceeds shall be made available, from time to time, upon the Mortgagee being furnished with satisfactory evidence of the estimated cost of completion thereof and with such architect's certificates, waivers of lien, contractor's sworn statements and other evidence of cost and of payments, including insurance against mechanic's liens and/or a performance bond or bonds in form satisfactory to Mortgagee which shall be the sole or a dual obligee, and which bonds shall be written with such surety company or companies as may be satisfactory to Mortgagee. All plans and specifications for such rebuilding or restoration shall be presented to and approved by Mortgagee prior to the commencement of any such repair or rebuilding. At all times the undisbursed balance of said proceeds remaining in the hands of the Mortgagee shall be at least sufficient to pay for the cost of completion of the work free and clear of liens.

6. In addition to the monthly payments required under the Note, when requested by Mortgagee, Mortgagor shall pay to the Mortgagee monthly at the time when such monthly payment is payable, an amount equal to one-twelfth (1/12) of the annual premiums for such fire and extended coverage insurance and such annual real estate taxes, water and sewer rents, special assessments, and any other tax, assessment, claim, lien, or encumbrance which may at any time be or become a lien upon the Premises prior to the lien of this Mortgage, and on demand from time to time shall pay to the Mortgagee additional sums necessary to pay such premiums and other payments, all as estimated by the Mortgagee, the amounts so paid to be security for such premiums and other payments and to be used in payment thereof. At the Mortgagee's option, the Mortgagee may make such payments available to the Mortgagor for the payments required under Sections 3 and 4, or may make such payments on the Mortgagor's behalf. All amounts so paid shall be deemed to be trust funds, but no interest shall be payable thereon. If, pursuant to any provisions of this Mortgage, the whole amount of said principal debt remaining becomes due and payable, the Mortgagee shall have the right at its election to apply any amounts so held against the entire indebtedness secured hereby.

7. In the event that the Mortgagor fails to make any payment or perform any act required hereunder, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal

or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and other moneys advanced by Mortgagee to protect the mortgaged premises and the lien hereof, plus reasonable compensation to Mortgagee for each matter concerning which action herein authorized may be taken, shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default hereunder on the part of Mortgagor.

8. The Mortgagee making any payment hereby authorized relating to taxes or 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 title or claim thereof.

9. At the option of Mortgagee, and without notice to Mortgagor, all unpaid indebtedness secured by this Mortgage shall, notwithstanding anything in the Note or in this Mortgage to the contrary, become due and payable (a) immediately in the case of default under the terms of the Note; (b) immediately in the event Mortgagor shall, without the prior consent of Mortgagee, sell, transfer, convey, encumber, or assign the title to all or any portion of the premises, or the rents, issues, or profits therefrom, whether by operation of law, voluntarily or otherwise, or shall contract to do any of the foregoing, or in the event the owner, or if there be more than one, any of the owners, of any beneficial interest in any trust of which Mortgagor is title holder (any such owner being herein referred to as a "Beneficial Owner") shall, without the prior written consent of Mortgagee, transfer or assign all or any portion of such beneficial interest, or the rents, issues, or profits from the premises (including, without being limited to, a collateral assignment), whether by operation of law, voluntarily or otherwise, or shall contract to do any of the foregoing; (c) immediately in the event Mortgagor files for bankruptcy or bankruptcy proceedings are instituted against Mortgagor and not dismissed within thirty (30) calendar days, under any provision

of any state or federal bankruptcy law in effect at the time of filing; (d) immediately in the event Mortgagor makes an assignment for the benefit of creditors, becomes insolvent or becomes unable to meet his obligations as they become due; or (e) immediately in the event of any levy or lien including, but not limited to, levies or liens arising from failure to pay any federal tax being filed against the Mortgagor or the premises; or (f) when default shall occur and continue for three days in the performance of any other agreement of the Mortgagor contained herein or in any other agreement of the Mortgagor with the Mortgagee.

10. When the indebtedness hereby secured shall become due whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses relating thereto which may be paid or incurred by or on behalf of Mortgagee, including but not limited to attorneys' fees, Mortgagee's fees, appraiser's fees, broker's commissions, advertising expenses, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, guarantee policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the rate stated in the Note (unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law), when paid or incurred by Mortgagee in connection with (a) any proceeding, including probate and bankruptcy proceedings, to which either of them shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness hereby secured; (b) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (c) preparations for the defense of any threatened suit or proceeding which might affect the premises or the security hereof, whether or not actually commenced.

11. The proceeds of any foreclosure sale of the premises shall be distributed and applied in the following order

of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including, but not limited to, all such items as are mentioned in the preceding paragraph hereof; second, all other items which under the terms hereof, constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest, remaining unpaid on the Note; fourth, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

12. Upon, or at any time after the filing of a bill to foreclose this Mortgage, the court in which such bill is filed may appoint a receiver of said premises. Such appointment may be made without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not during the pendency of such foreclosure suit and the Mortgagee may be appointed as such receiver. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (1) the indebtedness secured hereby, or any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (2) the deficiency in case of a sale and deficiency.

13. No action for the enforcement of the lien 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 hereby secured.

14. Mortgagee shall have the right to inspect the premises at all reasonable times and access thereto shall be permitted for that purpose.

15. As further security for payment of the indebtedness and performance of the obligations, covenants and agreements secured hereby, the Mortgagor hereby assigns to the Mortgagee all leases already in existence and to be created in the future, together with all rents to become due and under existing or future leases. This assignment, however, shall be operative only in the event of the occurrence of a default hereunder, or under the Note or other instrument collateral hereto; and in any such case the Mortgagor hereby confers on the Mortgagee the exclusive power, to be used or not be used in its sole discretion, to act as agent, or to appoint a third person to act as agent for the Mortgagor, with power to take possession of,

and collect all rents arising from, the Premises and apply such rents, at the option of the Mortgagee, to the payment of the mortgage debt, taxes, costs of maintenance, repairs, expenses incident to managing, and other expenses, in such order of priority as the Mortgagee may in its sole discretion determine, and to turn any balance remaining over to the Mortgagor; but such collection of rents shall not operate an affirmance of the tenant or lease in the event the Mortgagor's title to the Premises should be acquired by the Mortgagee. The Mortgagee shall be liable to account only for rents and profits actually received by the Mortgagee. In exercising any of the powers contained in this section, the Mortgagee may also take possession of, and for these purposes use, any and all personal property contained in the Premises and used by the Mortgagor in the rental or leasing thereof or any part thereof.

16. In case the premises, or any part thereof, shall be taken by eminent domain or condemnation, the Mortgagee is hereby empowered to collect and receive all compensation which may be paid for any property taken or for damages to any property not taken and all compensation so received shall be forthwith applied by the Mortgagee as it may elect, to the immediate reduction of the indebtedness secured hereby, or to the repair and restoration of any property so damaged, provided that any excess over the amount of the indebtedness shall be delivered to the Mortgagors or their assignee.

17. In addition to all other rights of the Mortgagee whether contained herein or in other agreements with the Mortgagor, in case of default herein or in the aforesaid loan commitment, the Mortgagee shall be fully and completely entitled and authorized, by the Mortgagor, without any further consent or authorization, to expend all sums of money which in the Mortgagee's judgment and discretion shall be reasonably necessary, for the following purposes:

(a) To protect and preserve the premises;

(b) To complete the improvements on the premises and to pay and satisfy all liabilities incurred for materials and labor employed in such construction;

(c) To pay for all work and materials already provided and furnished to the Mortgagor, the Mortgagee being authorized either to continue the construction under outstanding contracts of the Mortgagor or to create independent contracts for such completion.

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In consideration of the Mortgagee making advances hereunder, the Mortgagor hereby appoints the Mortgagee as its agent for the purpose of making the foregoing expenditures and for the purpose of carrying out in every respect the authority herein granted, and upon the completion of the improvements to execute any and all documentation in the name of and on behalf of the Mortgagor relating to the sale or leasing of the premises, and to use the proceeds of said sale or leases to apply to the indebtedness evidenced by the Note.

18. Mortgagee has no duty to examine the title, location, existence, or condition of the premises, nor shall Mortgagee be obligated to record this Mortgage or to exercise any power herein given unless expressly obligated by the terms hereof, nor be liable for any acts or omissions hereunder, and it may require indemnities satisfactory to it before exercising any power herein given.

19. Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon presentation of satisfactory evidence that all indebtedness secured by this Mortgage has been fully paid.

20. This Mortgage and all provisions hereof, shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage. The use of any gender applies to all genders. If more than one party is named as the Mortgagor, the obligation hereunder of each such party is joint and several. Mortgagee may assign all or any portion of its rights and interests under this Mortgage without the consent of Mortgagor.

21. In the event of the passage after the date of this Mortgage of any law changing in any way the laws now in force for the taxation of mortgages, or debts secured thereby, or the manner of operation of such taxes, so as to affect the interest of Bank, then and in such event Mortgagor shall pay the full amount of such taxes.

22. To the fullest extent permitted by law, Mortgagor shall not and will not at any time apply for or in any manner attempt to claim or avail itself of any homestead, appraisement, valuation, 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. To the fullest extent permitted by law, Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the premises sold as an entirety. To the fullest extent permitted by law, Mortgagor hereby waives any and all rights of redemption from the foreclosure, for itself, the trust estate and all persons beneficially interested therein, and each and every person acquiring any interest in or title to the premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by Illinois law.

23. This Mortgage shall be governed by and interpreted according to the laws of the State of Illinois. In the event any provision of the Mortgage, or the Note, conflict with said law, such conflict shall not affect any other provision of the Mortgage, or the Note which can be given effect without reference to the conflict. In this regard, the provisions of the Mortgage and the Note shall be deemed severable.

24. Any notice, demand, request or other communications desired to be given or required pursuant to the terms hereof shall be in writing and shall be deemed given when personally serviced or on the second (2nd) day following deposit of the same in the United States Mail via registered or certified mail, return receipt requested, postage prepaid, addressed to the Mortgagor at the address set forth below or to the Mortgagee at the Bank's main office or to such other address as either the Mortgagor or the Mortgagee notifies the other party in writing.

25. The rights and remedies of Mortgagee under this Mortgage are cumulative and are not in lieu of, but are in addition to any other rights or remedies which Mortgagee shall have under the Note or any other instrument constituting security for the Note, or at law or in equity.

26. This Mortgage shall not be amended, modified or changed nor shall any waiver of any provision hereof be effective as against Mortgagee, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

27. Mortgagor, at its expense, will execute, acknowledge and deliver such instruments and take such actions as Mortgagee from time to time may reasonably request to carry out the intent and purpose of this Mortgage.

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28. Mortgagor represents and warrants that: (i) Mortgagor has not used Hazardous Material (as defined hereinafter) on or affecting the premises in any manner which violates federal, state or local laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, and that, to the best of Mortgagor's knowledge, no prior owner of the premises or any tenant, subtenant, occupant, prior tenant, prior subtenant or prior occupant has used Hazardous Materials on or affecting the premises in any manner which violated federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials; (ii) Mortgagor has never received any notice of any violations of federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials and, to the best of Mortgagor's knowledge, there have been no actions commenced or threatened by any party for noncompliance. For purposes of this Mortgage, "Hazardous Materials" include, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in any federal, state or local governmental, law, ordinance, rule, or regulations.

Mortgagor shall keep or cause the premises to be kept free of Hazardous Materials, and, without limiting the foregoing, Mortgagor shall not cause or permit the premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials, except in compliance with all applicable federal, state, and local laws and regulations, nor shall Mortgagor cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor or any tenant, subtenant or occupant, a release of Hazardous Materials onto the premises or onto any other property.

Mortgagor shall: (i) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, under, from or affecting the premises in accordance with all applicable federal, state, and local laws, ordinances, rules, regulations and policies, to the reasonable satisfaction of Mortgagee, and in accordance with the orders and directives of all federal, state and local governmental authorities, and (ii) defend, indemnify and hold harmless

Mortgagee, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (a) the presence, disposal, release or threatened release of any Hazardous Materials on, over, under, from, or affecting the premises or the soil, water vegetation, buildings, personal property, persons or animals thereon; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; (c) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials, and/or (d) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of Mortgagee, which are based upon or in any way related to such Hazardous Materials including, without limitation, reasonable attorneys' and consultant's fees, investigation and laboratory fees, court costs, and litigation expenses.

This document is also subject to the terms and conditions of the Rider attached hereto and made a part hereof.

FIRST STATE BANK & TRUST COMPANY OF PARK RIDGE, Trustee, executes this Mortgage as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such trustee, and it is expressly understood and agreed by the Mortgagee herein and by every person now or hereafter claiming any right or security hereunder that nothing contained herein or in the Note secured by this Mortgage shall be construed as creating any liability on the Trustee personally to pay said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder or to perform any covenants either express or implied herein contained, all such liability, if any, being expressly waived, and that any recovery on this Mortgage and the Note secured hereby shall be solely against and out of the premises hereby conveyed by enforcement of the provisions hereof and of said Note, but this waiver shall in no way affect the personal liability of any co-maker, co-signer, endorser or guarantor of said Note.

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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage.

FIRST STATE BANK & TRUST
COMPANY OF PARK RIDGE
not personally but solely as
trustee as aforesaid

By: _____
Its Assistant Trust Officer

ATTEST:

_____
Its Assistant Trust Officer

89362465

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STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Caroiyn S. Sime (Name), Assistant Trust Officer (Title) of FIRST STATE BANK & TRUST COMPANY OF PARK RIDGE, a corporation, and Tom Olen, Assistant Trust Officer (Title), of said corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Trust Officer (Title) and Assistant Trust Officer (Title) respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of said corporation, as Trustee, for the uses and purposes therein set forth.

Given under my hand and official seal, this 11th day of July, 19 89.

Suzanne French
Notary Public

"OFFICIAL SEAL"
Suzanne M. French
Notary Public, State of Illinois
My Commission Expires 11/19/89

Commission expires:

November 19, 1989

MAIL TO

THIS INSTRUMENT PREPARED BY AND RECORD AND RETURN TO:

ALVIN J. HELFGOT
LASER, SCHOSTOK, KOLMAN & FRANK
30 N. LaSalle Street
Suite 2500
Chicago, Illinois 60602
(312) 641-1300

ADDRESS OF PROPERTY:

835 North Wood Street
Chicago, Illinois

89362465

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RIDER ATTACHED TO AND MADE A PART OF MORTGAGE MADE JULY 11, 1989 BY FIRST STATE BANK & TRUST COMPANY OF PARK RIDGE AS TRUSTEE UNDER TRUST NUMBER 2041 ("MORTGAGOR") TO FIRST STATE BANK & TRUST COMPANY OF PARK RIDGE ("MORTGAGEE") CONVEYING REAL ESTATE COMMONLY KNOWN AS 835 NORTH WOOD STREET, CHICAGO, ILLINOIS 60622 (THE "SECURED PROPERTY")

This Rider is made a part of and attached to that certain Mortgage referred to above (hereinafter called the "Mortgage"), and in all cases where there may be a conflict between the terms of said Mortgage and the terms of this Rider, the terms and provisions contained in this Rider shall prevail. In addition, certain terms used in this Rider shall have the definitions appearing above in the heading to this Rider.

1. Anything in the Mortgage to the contrary notwithstanding, no remedies provided therein to the Mortgagee in connection with the default thereunder (or under the note secured thereby) by the Mortgagor or the Obligers may be exercised by the Mortgagee unless a written notice has been sent by the Mortgagee to the Mortgagor in connection with any such default, and the said default is still outstanding (not having been cured) (i) three (3) days after delivery of said notice in the case of a default in making any payment due to the Mortgagee or (ii) fourteen (14) days after delivery of said notice in the case of any other default thereunder. In addition, the Mortgagee shall not have the right to make any payment or perform any act under Paragraph 7 of said Mortgage unless and until the Mortgagor or Obligers have still failed to make such payment or perform such act after the aforementioned 14 day cure period following the appropriate notice. Notwithstanding anything in this paragraph to the contrary, in the event there is a "default" that is not curable by the passage of time, the Mortgagee shall not be required to send the notice called for in this paragraph for a default to be considered to have occurred.

2. Mortgagee understands that it is the plan of the Mortgagor to gut and remodel the premises preparatory to selling therefrom loft units that have been submitted to the Illinois Condominium Property Act. Mortgagee agrees that anything in the said Mortgage to the contrary notwithstanding (in particular, but without limiting the generality of the foregoing, the terms and provision in paragraph 2 thereof), the said work may be commenced by the Mortgagor without there being a default under the Mortgage, provided only that the Mortgagee has approved of the plans therefor (which approval will not be unreasonably withheld or delayed), and the proceeds of the loan secured hereby are

disbursed through a construction escrow at a title company satisfactory to the Mortgagor and Mortgagee.

3. Notwithstanding anything stated in the Mortgage to the contrary, the aforesaid units may be sold provided that the Mortgagee shall receive the first One Million Dollars ($1,000,000) of the net sale proceeds of the aforesaid units and 80% of the net sale proceeds thereafter until such time as the Note and the note dated January 30, 1989 executed by Terra Ventures, Ltd. in the principal amount of Four Hundred Sixty Eight Thousand and 00/100 Dollars ($468,000) ("Terra Note") are paid in full. In the event that this payment schedule would not result in the Note and the Terra Note being paid in full after the sale of thirteen of the aforesaid units, the Bank will be paid sufficient additional proceeds from the sale of the twelfth and thirteenth units to insure that the Note and the Terra Note are paid in full after the sale of the thirteenth unit.

Upon the closing of each of the aforesaid units and the corresponding parking units, and provided that the Mortgagee receives payment as provided above, the Bank shall deliver a partial release of the lien of this Mortgage and the Mortgage securing the Terra Note, corresponding to that portion of the premises that have been sold.

4. All references to payment of "attorneys fees" shall be deemed to refer only to "reasonable" attorneys fees.

5. Anything in the Mortgage to the contrary notwithstanding, if there is an insured loss to the premises, and if there are sufficient insurance proceeds to be paid from the insurance thereon maintained by the Mortgagor (or in the absence of sufficient proceeds, the Mortgagor or Obligers provide sufficient funds to make up the deficiency) to complete the repair or reconstruction of the premises in the manner hereinafter described, and the Mortgagor is not at that time in default under the Mortgage or the Obligers in default under the Note, then the Mortgagor shall have the right to elect whether or not to use such funds to repair (or reconstruct, if necessary) the premises, or whether to permit the Mortgagee to use such funds to prepay the Mortgage. For the purposes of this paragraph no "default" will be deemed to have occurred under the Mortgage or Note until and unless the "cure period" if any has passed and any such default is then still outstanding. If the Mortgagor elects to use such funds for repair or necessary reconstruction, it is understood that any such work shall be done so as to place the premises not necessarily in the condition that it was in prior thereto but, if the Mortgagor so elects, instead in a

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condition in line with the plans for the proposed remodeling of the premises described in paragraph 3 hereof. The insurance proceeds and any other funds to be used in any such work shall be held and paid out during construction in accordance with the existing provisions of the Mortgage relating to reconstruction elected by the Mortgagee.

Similarly, if there is a taking of a portion of the premises by a public authority under eminent domain, and the remainder of the premises that are not so taken are capable of being reconstructed and usable either in accordance with their existing condition or (at the election of the Mortgagor) in accordance with the proposed remodeling, and the appraised value of the reconstructed remainder would still be sufficient so that the outstanding balance of the loans secured by the Mortgages on the premises would not exceed 70% thereof (and the Mortgagor and Obligers reserve the right to repay a portion of the debt if necessary to accomplish that goal), then the condemnation proceeds may be used, at the Mortgagor's election, to so reconstruct the premises. It is further understood that such election may not be made if the Mortgagor or Obligors are at such time in material default under the Mortgage or Note, and that the condemnation proceeds must (for such election to be made) be sufficient to reconstruct or will be sufficient when additional funds are added thereto by the Mortgagor, and such funds will be held and expended to pay for construction as provided above in connection with insurance proceeds.

6. Notices, demands, requests or other communications shall be deemed delivered only when either personally served or on the third (3rd) business day following deposit of the same in the United States Mail via registered or certified mail, return receipt requested, postage prepaid, addressed to the Mortgagor or Mortgagee at the address established as notice addresses as otherwise provided in the notice provisions of the Terra Mortgage.

FIRST STATE BANK & TRUST
COMPANY OF PARK RIDGE,
as Trustee

BY: Marilyn S. Arnold
Assistant Trust Officer

ITS: [illegible]
Assistant Trust Officer

89362465

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

*Carolyn S. Sime, Assistant Trust officer of

I, the undersigned, a Notary Public in and for the County and State aforesaid DO HEREBY CERTIFY that *FIRST STATE BANK & TRUST COMPANY OF PARK RIDGE, an Illinois corporation, and Tom Olan Assistant Trust Officer of said corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Trust Officer and Assistant 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 acts, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth; and the said Asst. Trust Officer did also then and there acknowledge that Assistant Trust Officer as custodian of the corporation, did affix the said corporate seal of said corporation to instrument as his own free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal this 11th day of July, 1989.

Notary Public

"OFFICIAL SEAL"
Mildred Nosko
Notary Public, State of Illinois
My Commission Expires 6/30/91

89362465

EXHIBIT "A"

PARCEL 1:

Lots 11 and 12 in Block 21 in William S. Johnston's Subdivision of the East 1/2 of the of the Southeast 1/4 of Section 6, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2:

Lots 6 and 7 in the resubdivision of the North 1/2 of Block 8 in Cochran and Others Subdivision of the West 1/2 of the Southeast 1/4 of Section 6, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Common Address: 835 North Wood Street
Chicago, Illinois 60622

P.I.N. #17-06-437-001-0000 (Parcel 1)
#17-06-435-040-0000 (Parcel 2)

THIS IS NOT HOMESTEAD PROPERTY