

# UNOFFICIAL COPY

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## MORTGAGE

This Mortgage (hereinafter "this Mortgage") is made as of June 20, 1990, by HARRIS TRUST AND SAVINGS BANK, an Illinois corporation, not personally but as Trustee under Trust Agreement dated February 10, 1989, and known as Trust No. 94396 ("Borrower"), with a mailing address at P.O. Box 755, Chicago, Illinois 60690, to HARRIS TRUST AND SAVINGS BANK, an Illinois banking corporation ("Lender"), with a mailing address at P.O. Box 755, Chicago, Illinois 60690, and pertains to the real estate described in Exhibit A, which is attached hereto and hereby made a part hereof.

## RECITALS

1.01 Adjustable Rate Promissory Note: Whereas, Borrower has executed and delivered to Lender an Adjustable Rate Promissory Note (the "Note") of even date herewith, wherein Borrower promises to pay to the order of Lender the principal amount of Two Hundred Twenty Three Thousand Dollars (\$223,000.00) in repayment of a loan (the "Loan") from Lender to Borrower in like amount, or so much thereof as may now or hereafter be disbursed by Lender under the Note, together with interest thereon, in installments as set forth in the Note; and

1.02 Other Loan Documents: Whereas, as security for the repayment of the Loan, certain other loan documents as described in Exhibit B, which is attached hereto and made a part hereof, have been executed and delivered to Lender (the Note, this Mortgage, the other Loan Documents described in said Exhibit B, and all other documents whether now or hereafter existing, that were executed and delivered as additional evidence of or security for repayment of the Loan are hereinafter referred to collectively as the "Loan Documents"); and

1.03 This Mortgage: Whereas, as security for the repayment of the Loan, in addition to the other Loan Documents described in Exhibit B, this Mortgage has been executed and delivered to Lender; and

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COOK COUNTY RECORDER

II

## THE GRANT

Now, Therefore, to secure the payment of the principal amount of the Note and interest thereon and the performance of the agreements contained hereinbelow and to secure the payment of any and all other indebtedness, direct or contingent, that may now or hereafter become owing from Borrower to Lender and the performance of all other obligations under the Loan Documents, the total amount of such principal, interest, indebtedness, and obligations shall not exceed Four Hundred Thousand Dollars (\$400,000.00) and in consideration of the matters recited hereinabove, Borrower hereby grants, bargains, sells, conveys, and mortgages to Lender and its successors and assigns forever the real estate, and all of its estate, right, title, and interest therein, situated in the County of Cook, State of Illinois, as more particularly described in Exhibit A, which is attached hereto and made a part hereof (the "Premises"), together with the following described property (the Premises and the following described property being hereinafter referred to collectively as the "Mortgaged Property"), all of which other property is hereby pledged primarily on a par with the Premises and not secondarily:

(a) all buildings and other improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration, and repair of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Mortgaged Property immediately upon the delivery thereof to the Premises;

(b) all right, title, and interest of Borrower, including any after-acquired title or reversion, and in the beds of the ways, streets, avenues, sidewalks, and alleys adjoining the Premises;

(c) each and all of the tenements, hereditaments, easements, appurtenances, passages, waters, water courses, riparian rights, other rights, liberties, and privileges of the Premises or in any way now or hereafter appertaining thereto, including homestead and any other claim, at law or in equity, as well as any after-acquired title, franchise, or license and the reversions and remainders thereof;

(d) all rents, issues, deposits, and profits accruing and to accrue from the Premises and the avails thereof, and

(e) all fixtures and personal property now or hereafter owned by Borrower and attached to or contained in and used or useful in connection with the Premises or the aforesaid improvements thereon, including without limitation any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, boilers, bookcases, cabinets, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, dynamos, elevators, engines, equipment, escalators, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stokers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same be attached to such improvements, it being intended, agreed, and declared that all such property owned by Borrower and placed by it on the Premises or used in connection with the operation or maintenance thereof shall, so far as permitted by law, be deemed for the purpose of this Mortgage to be part of the real estate constituting and located on the Premises and covered by this Mortgage, and as to any of the aforesaid property that is not part of such real estate or does not constitute a "fixture," as such term is defined in the Uniform Commercial Code of the state in which the Premises are located, this Mortgage shall be deemed to be, as well, a security agreement under such Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Borrower hereby grants to the Lender as "secured party," as such term is defined in such Code;

This document prepared by:

PAUL L. ZULKIE, ESQUIRE  
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To have and to hold the same unto Lender and its successors and assigns forever, for the purposes and uses herein set forth.

If and when the principal amount of the Note and all interest as provided thereunder, any and all other amounts required under the Loan Documents, and all of the agreements contained in the Loan Documents have been fully paid and performed, then this Mortgage shall be released at the cost of Borrower, but otherwise shall remain in full force and effect.

## III

### GENERAL AGREEMENTS

**3.01 Principal and Interest** Borrower shall pay promptly when due the principal and interest on the indebtedness evidenced by the Note at the times and in the manner provided in the Note or any of the other Loan Documents.

**3.02 Other Payments** Unless waived by Lender in writing, Borrower shall deposit with Lender or a depository designated by Lender, in addition to any installments of principal or interest payments required by the Note, monthly until the principal indebtedness evidenced by the Note is paid:

(a) a sum equal to all real estate taxes and assessments ("taxes") next due on the Mortgaged Property, all as estimated by Lender, divided by the whole number of months to elapse before the month prior to the date when such taxes will become due and payable; and

(b) a sum equal to an installment of the premium or premiums that will become due and payable to renew the insurance as required in Paragraph 3.05 hereof, each installment to be in such an amount that the payment of approximately equal installments will result in the accumulation of a sufficient sum of money to pay renewal premiums for such insurance at least one (1) month prior to the expiration or renewal date or dates of the policy or policies to be renewed.

All such payments described in this Paragraph 3.02 shall be held by Lender or a depository designated by Lender, in trust, without accruing, or without any obligation arising for the payment of, any interest thereon. If the funds so deposited are insufficient to pay, when due, all taxes and premiums as aforesaid, Borrower shall, within ten (10) days after receipt of demand therefor from Lender or its agent, deposit such additional funds as may be necessary to pay such taxes and premiums. If the funds so deposited exceed the amounts required to pay such items, the excess shall be applied to a subsequent deposit or deposits.

Neither Lender nor any such depository shall be liable for any failure to make such payments of insurance premiums or taxes unless Borrower, while not in default hereunder, has requested Lender or such depository, in writing, to make application of such deposits to the payment of particular insurance premiums or taxes, accompanied by the bills for such insurance premiums or taxes; provided, however, that Lender may, at its option, make or cause such depository to make any such application of the aforesaid deposits without any direction or request to do so by Borrower.

**3.03 Property Taxes** Borrower shall pay immediately when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer charges, and any other charges that may be asserted against the Property or any part thereof or interest thereon, and to furnish to Lender duplicate receipts therefor within thirty (30) days after payment thereof. Provided, however, that unless any waiver by Lender of the monthly deposits required by Paragraph 3.02(a) hereof is then in effect, Lender, at its option, either may make such deposits available to Borrower for the payments required under this Paragraph 3.03 or may make such payments on behalf of Borrower. Borrower may, in good faith and with reasonable diligence, contest the validity or amount of any such taxes or assessments, provided that:

(a) such contest shall have the effect of preventing the collection of the tax or assessment so contested and the sale or forfeiture of the Mortgaged Property or any part thereof or interest therein to satisfy the same;

(b) Borrower has notified Lender in writing of the intention of Borrower to contest the same before any tax or assessment has been increased by any interest, penalties, or costs; and

(c) Borrower has deposited with Lender, at such place as Lender may from time to time in writing designate, a sum of money or other security acceptable to Lender that, when added to the monies or other security, if any, deposited with Lender pursuant to Paragraph 3.02 hereof, is sufficient, in Lender's judgment, to pay in full such contested tax and assessment and all penalties and interest that might become due thereon, and shall keep or deposit an amount sufficient, in Lender's judgment, to pay in full such contested tax and assessment, increasing such amount to cover additional penalties and interest whenever, in Lender's judgment, such increase is advisable.

In the event Borrower fails to prosecute such contest with reasonable diligence or fails to maintain sufficient funds on deposit as hereinabove provided, Lender may, at its option, apply the monies and liquidate any securities deposited with Lender, in payment of, or on account of, such taxes and assessments, or any portion thereof then unpaid, including all penalties and interest thereon. If the amount of the money and any such security so deposited is insufficient for the payment in full of such taxes and assessments, together with all penalties and interest thereon, Borrower shall forthwith, upon demand, either deposit with Lender a sum that, when added to such funds then on deposit, is sufficient to make such payment in full, or, if Lender has applied funds on deposit on account of such taxes and assessments, restore such deposit to an amount satisfactory to Lender. Provided that Borrower is not then in default hereunder, Lender shall, if so requested in writing by Borrower, after final disposition of such contest and upon Borrower's delivery to Lender of an official bill for such taxes, apply the money so deposited in full payment of such taxes and assessments or that part thereof then unpaid, together with all penalties and interest thereon.

**3.04 Tax Payments by Lender** Lender is hereby authorized to make or advance, in the place and stead of Borrower, any payment relating to taxes, assessments, water and sewer charges, and other governmental charges, fines, impositions or liens that may be asserted against the Property, or any part thereof, and may do so according to any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy thereof or into the validity of any tax, assessment, lien, sale, forfeiture, or title or claim relating thereto. Lender is further authorized to make or advance, in the place and stead of Borrower, any payment relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim, charge, or payment otherwise relating to any other purpose herein and hereby authorized, but not enumerated in this Paragraph 3.04, whenever, in its judgment and discretion, such advance seems necessary or desirable to protect the full security intended to be created by this Mortgage. In connection with any such advance, Lender is further authorized, at its option, to obtain a continuation report of title insurance policy prepared by a title insurance company of Lender's choosing. All such advances and indebtedness authorized by this Paragraph 3.04 shall constitute additional indebtedness secured hereby and shall be repayable by Borrower upon demand with interest at the rate set forth in the Note.

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## 3.05 Insurance

(a) **Hazard.** Borrower shall keep the improvements now existing or hereafter erected on the Mortgaged Property insured for the "full insurable value" of the Mortgaged Property under a replacement cost form of insurance policy against loss or damage resulting from fire, windstorm, and other hazards as may be required by Lender, and to pay promptly, when due, any premiums on such insurance. Provided, however, that unless any waiver by Lender of the monthly deposits required by Paragraph 3.02(b) hereof is then in effect, Lender, at its option, either may make such deposits available to Borrower for the payments required under this Paragraph 3.05 or may make such payments on behalf of Borrower. All such insurance shall be in form and of content, and shall be carried in companies, approved in writing by Lender, and all such policies and renewals thereof (or certificates evidencing the same), marked "paid," shall be delivered to Lender at least thirty (30) days before the expiration of then existing policies and shall have attached thereto standard non-contributory mortgagee clauses entitling Lender to collect any and all proceeds payable under such insurance, as well as standard waiver of subrogation endorsements. Borrower shall not carry any separate insurance on such improvements concurrent in kind or form with any insurance required hereunder or contributing in the event of loss. In the event of a change in ownership of or occupancy of the Mortgaged Property approved in writing by Lender, immediate notice thereof shall be delivered by mail to all such insurers. In the event of any casualty loss, Borrower shall give immediate notice thereof by mail to Lender. Borrower hereby permits Lender, at Lender's option, to adjust and compromise any such losses under any of the aforesaid insurance and, after deducting any costs of collection, to use, apply, or disburse the proceeds thereof, at its option, (i) as a credit upon any portion of the indebtedness secured hereby; (ii) toward repairing, restoring, and rebuilding the Mortgaged Property, in which event Lender shall not be obliged to see to the proper application thereof or shall the amount so released or used for such purposes be deemed a payment on the indebtedness secured hereby; or (iii) by delivering the same to Borrower.

The term "full insurable value" as used herein shall mean actual cash value -- replacement cost without physical depreciation (inclusive of costs of excavation, foundation footings below the lowest basement floor of the Mortgaged Property) to the extent available from Borrower's insurance companies. Not more frequently than once every year, Lender shall have the right to notify Borrower that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination. The cost of such redetermination and any additional insurance premiums shall be paid by the Borrower.

In the event Lender is obligated or elects to apply such proceeds toward repairing, restoring, and rebuilding such improvements, such proceeds shall be made available, from time to time, upon Lender being furnished with satisfactory evidence of the estimated cost of such repairs, restoration, and rebuilding and with such architect's and other certificates, waivers of lien, estimates, contractors' sworn statements, and other evidence of the estimated cost thereof and of payments as Lender may reasonably require and approve. If the estimated cost of the work exceeds ten (10%) percent of the original principal amount of the indebtedness secured hereby, Borrower must obtain the prior consent of Lender before undertaking any such repair, restoration, or rebuilding, and shall further provide Lender with all plans and specifications for such repairs, restoration, and rebuilding as Lender may reasonably require and approve. No payment made prior to the final completion of the work shall exceed ninety (90%) percent 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 Lender shall be at least sufficient to pay for the cost of completion of the work, free and clear of any liens or Lender's obligation and agreement to permit such proceeds to be used for rebuilding the Mortgaged Property shall terminate and thereupon Default shall be deemed to have occurred hereunder. In the event of foreclosure of this Mortgage or other transfer of title to the Mortgaged Property in extinguishment of the indebtedness secured hereby, all right, title, and interest of Lender in and to any such insurance policies then in force and any claims or proceeds thereunder, shall pass to Lender or any purchaser or grantee therefrom. Lender may, at any time and in its sole discretion, procure and substitute for any or all of the insurance policies so held as aforesaid, such other policies of insurance, in such amounts, and carried in such companies, as it may select.

(b) **Liability.** Borrower shall carry and maintain such comprehensive public liability and workmen's compensation insurance as may be required from time to time by Lender in form and of content, in amounts, and with companies approved in writing by Lender; provided, however, that the amounts of coverage shall not be less than One Million Dollars (\$1,000,000.00) single limit liability and Two Million Dollars (\$2,000,000.00) general aggregate limit and that the policies shall name Lender as an additional insured party thereunder. Certificates of such insurance, premiums prepaid, shall be deposited with Lender and shall contain provision for twenty (20) days' notice to Lender prior to any cancellation thereof.

**3.06 Condemnation and Eminent Domain.** Any and all awards heretofore or hereafter made or to be made to the present, or any subsequent, owner of the Mortgaged Property, by any governmental or other lawful authority for the taking, by condemnation or eminent domain, of all or any part of the Mortgaged Property, any improvement located thereon, or any easement thereon or appurtenance thereof (including any award from the United States government at any time after the allowance of a claim therefor, the ascertainment of the amount thereof, and the issuance of a warrant for payment thereof), are hereby assigned by Borrower to Lender which awards Lender is hereby authorized to collect and receive from the condemnation authorities, and Lender is hereby authorized to give appropriate receipts and acquittance therefor. Borrower shall give Lender immediate notice of the actual or threatened commencement of any condemnation or eminent domain proceedings affecting all or any part of the Mortgaged Property, or any easement thereon or appurtenance thereof (including severance of, consequential damage to, or change in grade of streets), and shall deliver to Lender copies of any and all papers served in connection with any such proceedings. Borrower further agrees to make, execute, and deliver to Lender, at any time upon request, free, clear, and discharged of any encumbrance of any kind whatsoever, any and all further assignments and other instruments deemed necessary by Lender for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter made to Borrower for any taking, either permanent or temporary, under any such proceeding. At Lender's option, any such award may be applied to restoring the Mortgaged Property, in which event the same shall be paid out in the same manner as is provided with respect to insurance proceeds in Paragraph 3.05(a) hereof.

**3.07 Maintenance of Property.** No building or other improvement on the Mortgaged Property shall be altered, removed, or demolished, nor shall any fixtures, chattels or articles of personal property on, in, or about the Mortgaged Property be severed, removed, sold, or mortgaged, without the prior written consent of Lender, and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels, or articles of personal property covered by this Mortgage or by any separate security agreement executed in conjunction herewith, the same shall be replaced promptly by similar fixtures, chattels, and articles of personal property at least equal in quality and condition to those replaced, free from any other security interest therein, encumbrances thereon, or reservation of title thereto. Borrower shall promptly repair, restore, or rebuild any building or other improvement now or hereafter situated on the Mortgaged Property that may become damaged or be destroyed. Any such building or other improvement shall be so repaired, restored, or rebuilt so as to be of at least equal value and of substantially the same character as prior to such damage or destruction.

Borrower further agrees to permit, commit, or suffer no waste, impairment, or deterioration of the Mortgaged Property or any part thereof; to keep and maintain the Mortgaged Property and every part thereof in good repair and condition; to effect such repairs as Lender may reasonably require, and, from time to time, to make all necessary and proper replacements thereof and additions thereto so that the premises and such buildings, other improvements, fixtures, chattels, and articles of personal property will, at all

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times, be in good condition, fit and proper for the respective purposes for which they were originally erected or installed.

**3.08 Compliance with Law** Borrower shall comply with all statutes, ordinances, regulations, rules, orders, decrees, and other requirements relating to the Mortgaged Property or any part thereof by any federal, state, or local authority; and shall observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including without limitation zoning variances, special exceptions, and nonconforming uses), privileges, franchises, and concessions that are applicable to the Mortgaged Property or that have been granted to or contracted for by Borrower in connection with any existing or presently contemplated use of the Property.

**3.09 Liens and Transfers** Without Lender's prior written consent, Borrower shall not create, suffer, or permit to be created or filed against the Mortgaged Property or any part thereof hereafter any mortgage lien or other lien superior or inferior to the lien of this Mortgage, provided that Borrower may, within ten (10) days after the filing thereof, contest any lien claim arising from any work performed, material furnished, or obligation incurred by Borrower upon furnishing Lender security and indemnification satisfactory to Lender for the final payment and discharge thereof. In the event Borrower hereafter otherwise suffers or permits any superior or inferior lien to be attached to the Mortgaged Property or any part thereof without such consent, Lender shall have the unqualified right, at its option, to accelerate the maturity of the Note, causing the entire principal balance thereof and all interest accrued thereon to be immediately due and payable, without notice to Borrower.

If Borrower, without Lender's prior written consent, sells, transfers, conveys, assigns, hypothecates, or otherwise transfers the title to all or any portion of the Mortgaged Property, or, if Borrower is a land trust, there is a change in the ownership of the beneficial interest of Borrower (including a collateral assignment thereof or of the power of direction thereof, other than to Lender), whether by operation of law, voluntarily, or otherwise, or contracts to do any of the foregoing, Lender shall have the unqualified right, at its option, to accelerate the maturity of the Note, causing the entire principal balance, accrued interest, and prepayment premium, if any, to be immediately due and payable without notice to Borrower. Without limiting the generality of the foregoing, each of the following events shall be deemed a sale, conveyance, assignment, hypothecation, or other transfer prohibited by the foregoing sentence:

(a) if Borrower is a land trust, and if the owner of the beneficial interest in Borrower (hereinafter referred to as the "Beneficiary") consists of or includes one or more corporations, any sale, conveyance, assignment, or other transfer of all or any portion of the stock of any such corporation, that results in a material change in the identity of the person(s) or entities previously in control of such corporation;

(b) if Borrower is a land trust, and if Beneficiary consists of or includes a partnership, any sale, conveyance, assignment, or other transfer of all or any portion of the partnership interest of any partner of such partnership that results in a material change in the identity of the person(s) in control of such partnership;

(c) if Borrower is a land trust, then any sale, conveyance, assignment, or other transfer of all or any portion of the stock or partnership interest of any entity directly or indirectly in control of any corporation or partnership constituting or included within Beneficiary that results in a material change in the identity of the person(s) in control of such entity; and

(d) if Borrower is a land trust, then any hypothecation of all or any portion of the stock thereof, if Beneficiary is or includes a corporation, or of all or any portion of the partnership interest of any general partner thereof, if Beneficiary is or includes a partnership, or of all or any portion of the stock or partnership interest of any entity directly or indirectly in control of such corporation or partnership, that could result in a material change in the identity of the person(s) in control of such corporation, partnership, or entity directly or indirectly in control of such corporation or partnership if the secured party under such hypothecation exercised its remedies thereunder.

Notwithstanding (b) above, if Borrower is a land trust, the following transfers shall not be deemed a sale, conveyance, assignment, hypothecation, or other transfer prohibited hereinabove: (i) the conversion of general partnership interests in Beneficiary to limited partnership interests in Beneficiary, provided the general partners of Beneficiary remain general partners of Beneficiary and continue to be entitled to receive an individual and aggregate share of the profits and losses of the Beneficiary acceptable to Lender, (ii) the transfer of the beneficial interest in Borrower to a new limited partnership of which Beneficiary is the general partner and the general partners of Beneficiary continue as general partners of Beneficiary entitled to receive an individual and aggregate share of profits and losses acceptable to Lender, (iii) transfers among existing partners of Beneficiary, provided the transferring partner and the receiving partner are now and continue to be partners of Beneficiary, (iv) transfers as a result of the death or adjudicated incompetency of a partner or partners of Beneficiary, (v) transfers by a partner of Beneficiary to a trust, the beneficiaries of which are lineal descendants or spouses of the transferring partner. For purposes of this paragraph, the ownership of the current general partners of the Beneficiary, individual shares of a one per cent (1%) aggregate general partnership share of the profits and losses of any limited partnership permitted in the foregoing sentence shall be deemed acceptable to Lender.

Any waiver by Lender of the provisions of this Paragraph 3.09 shall not be deemed to be a waiver of the right of Lender in the future to insist upon strict compliance with the provisions hereof.

**3.10 Subrogation to Prior Lienholder's Rights** If the proceeds of the loan secured hereby, any part thereof, or any amount paid out or advanced by Lender is used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon the Mortgaged Property or any part thereof, then Lender shall be subrogated to the rights of the holder thereof in and to such other lien or encumbrance and any additional security held by such holder, and shall have the benefit of the priority of the same.

**3.11 Lender's Dealings with Transferee** In the event of the sale or transfer, by operation of law, voluntarily, or otherwise, of all or any part of the Mortgaged Property, Lender shall be authorized and empowered to deal with the vendee or transferee with regard to the Mortgaged Property, the indebtedness secured hereby, and any of the terms or conditions hereof as fully and to the same extent as it might with Borrower, without in any way releasing or discharging Borrower from its covenants hereunder, specifically including those contained in Paragraph 3.09 hereof, and without waiving Lender's right of acceleration pursuant to Paragraph 3.09 hereof.

**3.12 Stamp Taxes** If at any time the United States government, or any federal, state, or municipal governmental subdivision, requires Internal Revenue or other documentary stamps, levies, or any tax on this Mortgage or on the Note, or requires payment of the United States Interest Equalization Tax on any of the indebtedness secured hereby, then such indebtedness and all interest accrued thereon shall be and become due and payable, at the election of the Lender, thirty (30) days after the mailing by Lender of notice of such election to Borrower; provided, however, that such election shall be unavailing, and this Mortgage and the Note shall be and remain in effect, if Borrower lawfully pays for such stamps or such tax, including interest and penalties thereon, to or on behalf of Lender and Borrower does in fact pay, when payable, for all such stamps or such tax, as the case may be, including interest and any penalties thereon.

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**3.13 Change in Tax Law.** In the event of the enactment, after the date of this Mortgage, of any law of the state in which the Premises are located deducting from the value of the Premises, for the purpose of taxation, the amount of any lien thereon, or imposing upon Lender the payment of all or any part of the taxes, assessments, charges or liens hereby required to be paid by Borrower, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Borrower's interest in the Mortgaged Property, or the manner of collection of taxes, so as to affect this Mortgage or the indebtedness secured hereby or the holder thereof, then Borrower, upon demand by Lender, shall pay such taxes, assessments, charges, or liens or reimburse Lender therefor, provided, however, that if, in the opinion of counsel for Lender, it might be unlawful to require Borrower to make such payment or the making of such payment might result in the law, then Lender may elect, by notice in writing given to Borrower, to declare all of the indebtedness secured hereby to become due and payable within sixty (60) days after the giving of such notice. Provided, further, that nothing contained in this Paragraph 3.13 shall be construed as obligating Lender to pay any portion of Borrower's federal income tax.

**3.14 Inspection of Property.** Borrower shall permit Lender and its representatives and agents to inspect the Mortgaged Property from time to time during normal business hours and as frequently as Lender considers reasonable.

**3.15 Inspection of Books and Records.** Borrower shall keep and maintain full and correct books and records showing in detail the income and expenses of the Mortgaged Property and, within ten (10) days after demand therefor by Lender, to permit Lender or its agents to examine such books and records and all supporting vouchers and data at any time and from time to time on request at its offices, at the address hereinabove identified or at such other location as may be mutually agreed upon.

**3.16 Certified Annual Operating Statement.** Borrower shall furnish to Lender, within ninety (90) days after the close of each calendar year, an annual operating statement of income and expenses of the Mortgaged Property and also of Borrower, if so required by Lender. Such report shall contain such detail and embrace such items as Lender may reasonably require.

**3.17 Acknowledgement of Debt.** Borrower shall furnish from time to time, within fifteen (15) days after Lender's request, a written statement, duly acknowledged, specifying the amount due under the Note and this Mortgage and disclosing whether any alleged offsets or defenses exist against the indebtedness secured hereby.

**3.18 Other Amounts Secured.** At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures in addition to any loan proceeds disbursed from time to time, and in addition to any advances pursuant to Paragraphs 3.04, 3.06 and 3.09 hereof, litigation and other expenses pursuant to Paragraphs 4.05 and 4.06 hereof, and any other amounts as provided herein, the payment of any and all loan commissions, service charges, liquidated damages, expenses, and advances due to or paid or incurred by Lender in connection with the loan secured hereby, all in accordance with the application and loan commitment issued in connection with this transaction, if any, and the other Loan Documents.

**3.19 Assignments of Rents and Leases.** The terms, covenants, conditions, and other provisions of any Assignment of Rents or Assignment of Leases described in Exhibit B hereto are hereby expressly incorporated herein by reference and made a part hereof, with the same force and effect as though the same were more particularly set forth herein.

**3.20 Declaration of Subordination.** At the option of Lender, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any condemnation or eminent domain award) to any and all leases of all or any part of the Mortgaged Property upon the execution by Lender and recording thereof, at any time hereafter, in the appropriate official records of county wherein the Premises are situated, of a unilateral declaration to that effect.

**3.21 Security Instruments.** Borrower shall execute, acknowledge, and deliver to Lender, within ten (10) days after request by Lender, a security agreement, financing statements, and any other similar security instrument required by Lender, in form and of content satisfactory to Lender, covering all property of any kind whatsoever owned by Borrower that, in the sole opinion of Lender, is essential to the operation of the Mortgaged Property and concerning which there may be any doubt whether title thereto has been conveyed, or a security interest therein perfected, by this Mortgage under the laws of the state in which the Premises are located. Borrower shall further execute, acknowledge, and deliver any financing statement, affidavit, continuation statement, certificate, or other document as Lender may request in order to perfect, preserve, maintain, continue, and extend such security instruments. Borrower further agrees to pay to Lender all costs and expenses incurred by Lender in connection with the preparation, execution, recording, filing, and re-filing of any such document.

**3.22 Releases.** Lender, without notice and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens thereon, may release from the lien all or any part of the Mortgaged Property, or release from liability any person obligated to repay any indebtedness secured hereby, without in any way affecting the liability of any party to any of the Note, this Mortgage, or any of the other Loan Documents, including without limitation any guaranty given as additional security for the indebtedness secured hereby, and without in any way affecting the priority of the lien of this Mortgage, and may agree with any party liable therefor to extend the time for payment of any part or all of such indebtedness. Any such agreement shall not in any way release or impair the lien created by this Mortgage or reduce or modify the liability of any person or entity obligated personally to repay the indebtedness secured hereby, but shall extend the lien hereof as against the title of all parties having any interest, subject to the indebtedness secured hereby, in the Mortgaged Property.

**3.23 Interest Laws.** It being the intention of Lender and Borrower to comply with the laws of the State of Illinois, it is agreed that notwithstanding any provision to the contrary in the Note, this Mortgage, or any of the other Loan Documents, no such provision shall require the payment or permit the collection of any amount ("Excess Interest") in excess of the maximum amount of interest permitted by law to be charged for the use or detention, or the forbearance in the collection, of all or any portion, of the indebtedness evidenced by the Note. If any Excess Interest is provided for, or is adjudicated to be provided for, in the Note, this Mortgage, or any of the other Loan Documents, then in such event (a) the provisions of this Paragraph 3.23 shall govern and control; (b) neither Borrower nor any of the other "Obligors" (as that term is defined in the Note) shall be obligated to pay any Excess Interest; (c) any Excess Interest that Lender may have received hereunder shall, at the option of Lender, be (i) applied as a credit against the then unpaid principal balance under the Note, accrued and unpaid interest thereon not to exceed the maximum amount permitted by law, or both, (ii) refunded to the payor thereof, or (iii) any combination of the foregoing; (d) the "Interest Rate" (as that term is defined in the Note) shall be subject to automatic reduction to the maximum lawful contract rate allowed under the applicable usury laws of the aforesaid State, and the Note, this Mortgage, and the other Loan Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in the Interest Rate; and (e) neither Borrower nor any of the other Obligors shall have any action against Lender for any damages whatsoever arising out of the payment or collection of any Excess Interest.

**3.24 Use of Loan Proceeds.** No part of the funds disbursed to the Borrower pursuant to the Note have been or shall be used for the purchase or carrying of registered equity securities within the purview of Regulation C of the Federal Reserve Board, or for the purpose of releasing or retiring any indebtedness which was originally incurred for any such purpose. Borrower covenants that no part of the proceeds of the Note will be used to purchase or carry any margin stock (within the meaning of Regulations U and C) of the Board of Governors of the Federal Reserve System) or for retiring any indebtedness which was originally incurred for such purpose.

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## IV

### DEFAULTS AND REMEDIES

4.01 Events Constituting Default Each of the following events shall constitute a default (a "Default") under this Mortgage:

(a) Failure of Borrower to pay any sum secured hereby, including without limitation, any installment of principal thereof or interest thereon within thirty (30) days of the date such sum becomes due and payable under the Note, this Mortgage, or any of the other Loan Documents and the continuation of such failure to pay for five (5) days after notice thereof from Lender if required in the next sentence. Lender shall be required to give notice of monetary defaults no more than two (2) times within any twelve (12) month period. Thereafter, Borrower's failure to pay any sum within thirty (30) days of the date such sum becomes due and payable under the Note, including without limitation interest or principal or both and either as a monthly installment or on the Maturity Date shall constitute in and of itself an Event of Default hereunder without additional notice. For purposes of this paragraph, notice shall be deemed to have been delivered two (2) business days after mailing by Lender in the manner provided in Paragraph 5.01 hereof.

(b) Failure of Borrower to perform or observe any other covenant, warranty, or other provision contained in the Note, this Mortgage, or any of the other Loan Documents for a period in excess of thirty (30) days after the date on which notice of the nature of such failure is given by Lender to Borrower in the manner provided in Paragraph 5.01 hereof. In the case of non-monetary default not susceptible of being cured within such thirty day period, Lender shall not declare an event of Default as long as Borrower is diligently and continuously attempting to cure such default or potential event of Default, but in no event shall the grace period hereinabove granted be for more than sixty (60) days from the date Lender first gives notice as above to Borrower, it being acknowledged and agreed by Borrower that concurrently with the expiration of such sixty (60) day period Lender may declare a Default, accelerate all indebtedness secured hereby and pursue all remedies contained herein.

(c) Untruth or material deceptiveness of any representation or warranty contained in any of the Note, this Mortgage, the other Loan Documents or any other document or writing submitted to Lender by or on behalf of Borrower pertaining to the Loan;

(d) Admission by Borrower in writing, including without limitation an answer or other pleading filed in any court, of Borrower's insolvency or its inability to pay its debts generally as they fall due;

(e) Institution by Borrower or any Beneficiary of Borrower of bankruptcy, insolvency, reorganization, or arrangement proceedings of any kind under the Federal Bankruptcy Code, whether as now existing or as hereafter amended, or any similar debtors' or creditors' rights law, federal or state, now or hereafter existing, or the making by Borrower of a general assignment for the benefit of creditors.

(f) Institution of any such proceedings against Borrower, if so consented to by Borrower or are not dismissed, vacated, or stayed within sixty (60) days after the filing thereof;

(g) Appointment by any court of a receiver, trustee, or liquidator of or for, or assumption by any court of jurisdiction of, all or any part of the Mortgaged Property or all or a major portion of the property of Borrower, if such appointment or assumption is consented to by Borrower or, within sixty (60) days after such appointment or assumption, such receiver, trustee, or liquidator is not discharged or such jurisdiction is not relinquished, vacated, or stayed; or

(h) Declaration by any court or governmental agency of the bankruptcy or insolvency of Borrower.

4.02 Acceleration of Maturity At any time during the existence of any Default, and at the option of Lender, the entire principal balance then outstanding under the Note, together with interest accrued thereon and all other sums due from Borrower thereunder or under this Mortgage and under any of the other Loan Documents, shall without notice become immediately due and payable with interest thereon at the Default Interest Rate.

4.03 Foreclosure of Mortgage Upon the occurrence of any Default, or at any time thereafter, Lender may, at its option, proceed to foreclose the lien of this Mortgage by judicial proceedings in accordance with the laws of the State in which the Premises are located. Any failure by Lender to exercise each option shall not constitute a waiver of its right to exercise the same at any other time.

4.04 Lender's Continuing Options The failure of Lender to exercise either or both of its options to accelerate the maturity of the indebtedness secured hereby aforesaid, or to exercise any other option granted to Lender hereunder in any one or more instances, or the acceptance by Lender of partial payments of such indebtedness, shall neither constitute a waiver of any such Default or of Lender's options hereunder nor establish, extend, or affect any grace period for payments due under the Note, but such options shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Lender, may at Lender's option be rescinded by written acknowledgement to that effect by Lender and shall not affect Lender's right to accelerate maturity upon or after any future Default.

4.05 Litigation Expenses In any proceeding to foreclose the lien of this Mortgage or enforce any other remedy of Lender under any of the Note, this Mortgage, and the other Loan Documents, or in any other proceeding whatsoever in connection with any of the Loan Documents or any of the Mortgaged Property in which Lender is named as a party, there shall be allowed and included, as additional indebtedness in the judgment or decree resulting thereof, all expenses paid or incurred in connection with such proceeding by or on behalf of Lender, including without limitation, attorney's fees, appraiser's fees, outlays for documentary evidence and expert advice, stenographers' charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of such judgment or decree) of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and any similar data and assurances with respect to title to the Mortgaged Property as Lender may deem reasonably necessary either to prosecute or defend in such proceeding or to evidence to bidders at any sale pursuant to such decree the true condition of the title to or value of the Premises or the Mortgaged Property. All expenses of the foregoing nature, and such expenses as may be incurred in the protection of any of the Mortgaged Property and the maintenance of the lien of this Mortgage thereon, including without limitation, the fees of any attorney employed by Lender in any litigation affecting the Note, this Mortgage, or any of the Mortgaged Property, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding in connection therewith, shall be immediately due and payable by Borrower with interest at the rate set forth in the Note.

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**4.06 Performance by Lender** In the event of any Default, Lender may, but need not, make any payment or perform any act herein required of Borrower in any form and manner deemed expedient by Lender, and Lender may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, purchase, discharge, compromise, or settle any tax lien or other prior or junior lien or title or claim thereof, redeem from any tax sale or forfeiture affecting the Mortgaged Property, or contest any tax or assessment thereon. All monies paid for any of the purposes authorized herein and all expenses paid or incurred in connection therewith, including attorney's fees, and any other monies advanced by Lender to protect the Property and the lien of this Mortgage, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable by Borrower to Lender without notice and with interest thereon at the Default Interest Rate as defined in the Note. Inaction of Lender shall never be construed to be a waiver of any right accruing to Lender by reason of any default by Borrower.

**4.07 Right of Possession** In any case in which, under the provisions of this Mortgage or the other Loan Documents, Lender has a right to institute foreclosure proceedings, whether or not the entire principal sum secured hereby becomes immediately due and payable as aforesaid, or whether before or after the institution of proceedings to foreclose the lien hereof or before or after sale thereunder, Borrower shall, forthwith upon demand of Lender, surrender to Lender, and Lender shall be entitled to take actual possession of, the Mortgaged Property or any part thereof, personally or by its agent or attorneys, and Lender, in its discretion, may enter upon and take and maintain possession of all or any part of the Mortgaged Property, together with all documents, books, records, papers, and accounts of Borrower or the then owner of the Mortgaged Property relating thereto, and may exclude Borrower, such owner, and any agents and servants thereof wholly therefrom and may, as attorney-in-fact or agent of Borrower or such owner, or in its own name as Lender and under the powers herein granted:

(a) hold, operate, manage, and control all or any part of the Mortgaged Property and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the rents, issues, deposits, profits, and avails of the Mortgaged Property, including without limitation actions for recovery of rent, actions in forcible detainer, and actions in distress for rent, all without notice to Borrower;

(b) cancel or terminate any lease or sublease of all or any part of the Mortgage Property for any cause or on any ground that would entitle Borrower to cancel the same;

(c) elect to disaffirm any lease or sublease of all or any part of the Mortgaged Property made subsequent to this Mortgage or subordinated to the lien hereof;

(d) extend or modify any then existing leases and make new leases of all or any part of the Mortgaged Property, which extensions, modifications, and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the loan evidenced by the Note and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Borrower, all persons whose interests in the Mortgaged Property are subject to the lien hereof, and the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the indebtedness secured hereby, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser; and

(e) make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments, and improvements in connection with the Mortgaged Property as may seem judicious to Lender, to insure and reinsure the Mortgaged Property and all risks incidental to Lender's possession, operation, and management thereof, and to receive all rents, issues, deposits, profits, and avails therefrom.

**4.08 Priority of Payments** Any rents, issues, deposits, profits, and avails of the Property received by Lender after taking possession of all or any part of the Mortgaged Property, or pursuant to any assignment thereof to Lender under the provisions of this Mortgage or any of the other Loan Documents, shall be applied in payment of or on account of the following, in such order as Lender or, in case of receivership, as the court, may determine:

(a) operating expenses of the Mortgaged Property (including reasonable compensation to Lender, any receiver of the Mortgaged Property, any agent or agents to whom management of the Mortgaged Property has been delegated), and also including lease commissions and other compensation for and expenses of seeking and procuring tenants and entering into leases, establishing claims for damages, if any, and paying premiums on insurance hereinabove authorized;

(b) taxes, special assessments, and water and sewer charges now due or that may hereafter become due on the Mortgaged Property, or that may become a lien thereon prior to the lien of this Mortgage;

(c) any and all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Mortgaged Property (including without limitation the cost, from time to time, of installing or replacing ranges, refrigerators, and other appliances and other personal property therein, and of placing the Mortgaged Property in such condition as will, in the judgment of Lender or any receiver thereof, make it readily rentable or salable);

(d) any indebtedness secured by this Mortgage or any deficiency that may result from any foreclosure sale pursuant hereto; and

(e) any remaining funds to Borrower or its successors or assigns, as their interests and rights may appear.

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

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deed, or issuance of certificate of sale or deed to any purchaser.

4.10 Foreclosure Sale In the event of any foreclosure sale of the Mortgaged Property, the same may be sold in one or more parcels. Lender may be the purchaser at any foreclosure sale of the Mortgaged Property or any part thereof.

4.11 Application of Proceeds The proceeds of any foreclosure sale of the Mortgaged Property, or any part thereof, shall be distributed and applied in the following order of priority: (a) on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Paragraphs 4.05 and 4.06 hereof; (b) all other items that, under the terms of this Mortgage, constitute secured indebtedness additional to that evidenced by the Note, with interest thereon at the Interest Rate set forth in the Note; (c) all principal and interest remaining unpaid under the Note, in the order of priority specified by Lender in its sole discretion, and (d) the balance to Borrower or its successors or assigns, as their interests and rights may appear.

4.12 Application of Deposits In the event of any Default, Lender may, at its option, without being required to do so, apply any monies or securities that constitute deposits made to or held by Lender or any depository pursuant to any of the provisions of this Mortgage toward payment of any of Borrower's obligations under the Note, this Mortgage, or any of the other Loan Documents, in such order and manner as Lender may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Borrower or to the then owner or owners of the Mortgaged Property. Such deposits are hereby pledged as additional security for the prompt payment of the indebtedness evidenced by the Note and any other indebtedness secured hereby and shall be held to be applied irrevocably by such depository for the purposes for which made hereunder and shall not be subject to the direction or control of Borrower.

4.13 Waiver of Statutory Rights Borrower shall not apply for or avail itself of any appraisal, valuation, redemption, stay, extension, or exemption laws, or any so called "moratorium laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Borrower, for itself and all who may claim through or under it, hereby also waives any and all rights to have the Mortgaged Property and estates comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold in its entirety. Borrower hereby further waives any and all rights of redemption from sale under any order or decree of foreclosure of the lien hereof pursuant to the rights herein granted, for itself and on behalf of any trust estate of which the Premises are a part, all persons beneficially interested therein, and each and every person acquiring any interest in the Mortgaged Property or title to the Premises subsequent to the date of this Mortgage, and, if the Mortgaged Property is located in Illinois, on behalf of all other persons to the extent permitted by the provisions of Chapter 110 of the Illinois Revised Statutes.

4.14 Cross Default Effect Under Loan Documents A default under the provisions of any of the Loan Documents shall be deemed to be a Default under this Mortgage. Lender may at its option, exhaust its rights and remedies under any or all of said Loan Documents, as well as its rights and remedies hereunder, either concurrently or independently and in such order as it may determine, and may apply the proceeds received therefrom to the indebtedness of Borrower without waiving or affecting the status of any breach or default or any right or remedy, whether contained in this Mortgage or any contained or exercised pursuant to any of the Loan Documents.

## MISCELLANEOUS

5.01 Notices Except as otherwise hereinabove specified, any notice that Lender, or Borrower may desire or be required to give to the other shall be in writing and shall be mailed or delivered to the intended recipient thereof at its address hereinabove set forth or at such other address as such intended recipient may, from time to time, by notice in writing, designate to the sender pursuant hereto. Any such notice shall be deemed to have been delivered two (2) business days after mailing by United States registered or certified mail, return receipt requested, or when delivered in person with written acknowledgement of the receipt thereof. Except as otherwise specifically required, herein, notice of the exercise of any right or option granted to Lender by this Mortgage is not required to be given.

5.02 Time of Essence It is specifically agreed that time is of the essence of this Mortgage.

5.03 Covenants Run with Land All of the covenants of this Mortgage shall run with the land constituting the Premises.

5.04 Governing Law The place of negotiation, execution, and delivery of this Mortgage, the location of the Mortgaged Property, and the place of payment and performance under the Loan Documents being the State of Illinois, this Mortgage shall be construed and enforced according to the laws of that State. To the extent that this Mortgage may operate as a security agreement under the Uniform Commercial Code, Lender shall have all rights and remedies conferred thereon for the benefit of a secured party, as such term is defined therein.

5.05 Rights and Remedies Cumulative All rights and remedies set forth in this Mortgage are cumulative, and the holder of the Note and of every other obligation secured hereby may recover judgment thereon, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting and without affecting or impairing the security of any right or remedy afforded hereby.

5.06 Severability If any provision of this Mortgage, or any paragraph, sentence, clause, phrase, or word, or the application thereof, in any circumstance, is held invalid, the validity of the remainder of this Mortgage shall be construed as if such invalid part were never included herein.

5.07 Non-Waiver Unless expressly provided in this Mortgage to the contrary, no consent or waiver, express or implied, by any interested party referred to herein, to or of any breach or default by any other interested party referred to herein, in the performance by such party of any obligations contained herein shall be deemed a consent to or waiver of the party of any obligations contained herein or shall be deemed a consent to or waiver of the performance by such party of any other obligations hereunder or the performance by any other interested party referred to herein of the same, or of any other, obligations hereunder.

5.08 Headings The headings of sections and paragraphs in this Mortgage are for convenience or reference only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions hereof.

5.09 Grammar As used in this Mortgage, the singular shall include the plural, and masculine, feminine, and neuter pronouns shall be fully interchangeable, where the context so requires.

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5.10 Deed in Trust If title to the Mortgaged Property or any part thereof is now or hereafter becomes vested in a trustee, any prohibition or restriction contained herein against the creation of any lien on the Mortgaged Property shall be construed as a similar prohibition or restriction against the creation of any lien on or security interest in the beneficial interest of such trust.


5.11 Successors and Assigns This Mortgage and all provisions hereof shall be binding upon Borrower, its successors, assigns, legal representatives, and all other persons or entities claiming under or through Borrower, and the word "Borrower," when used herein, shall include all such persons and entities and any others liable for the payment of the indebtedness secured hereby or any part thereof, whether or not they have executed the Note or this Mortgage. The word "Lender," when used herein, shall include Lender's successors, assigns, and legal representatives, including all other holders, from time to time, of the Note.

5.12 Loss of Note Upon receipt of evidence reasonably satisfactory to Borrower of the loss, theft, destruction or mutilation of the Note, and in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory to Borrower or, in the case of any such mutilation, upon surrender and cancellation of the Note, Borrower will execute and deliver to Lender in lieu thereof, a replacement Note, identical in form and substance to the Note and dated as of the date of the Note and upon such execution and delivery all references in this Mortgage to the Note shall be deemed to refer to such replacement Note.

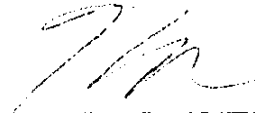
5.13 Exculpation This Mortgage is executed and delivered by Borrower, not personally but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee, provided, however, that said Trustee hereby represents that it possesses full power and authority to execute and deliver this Mortgage. It is expressly understood and agreed that nothing contained in this Mortgage shall be construed as creating any liability on said Trustee personally to pay the indebtedness secured by this Mortgage or any interest that may accrue thereon, or to perform any covenant, express or implied, contained herein, all such personal liability, if any, being expressly waived by Lender and by every person now or hereafter claiming any right or security hereunder.

IN WITNESS WHEREOF, Borrower, has caused this Mortgage to be executed as of the date hereinabove first written.

HARRIS TRUST AND SAVINGS BANK,  
an Illinois corporation, as Trustee aforesaid and not individually

BY:   
Title: Vice President [SEAL]

ATTEST

  
Title: ASSISTANT SECRETARY

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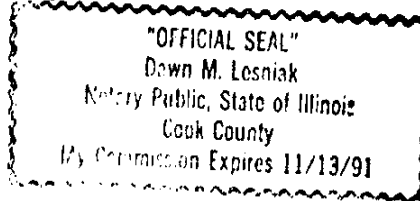
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STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, DAWN M. LESNIAK, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that HERMAN A. KOLE of HARRIS TRUST AND SAVINGS BANK, an Illinois corporation, as Trustee, and KENNETH E. PIKUIT of said corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Assistant Secretary, 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 corporation, for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that they as custodian of the corporate seal of said corporation, did affix the corporate seal of said corporation to said instrument as their own free and voluntary act and the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 27th day of June, 1990.

Dawn M. Lesniak  
Notary Public



My Commission Expires

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## EXHIBIT A

### LEGAL DESCRIPTION OF REAL ESTATE:

LOTS 29 AND 30 IN BLOCK 11 IN BICKERDIKE'S ADDITION TO CHICAGO IN THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PROPERTY ADDRESS: 1444 West Ohio  
Chicago, Illinois 60622

P.L.N.: 17-08-116-028

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## EXHIBIT B

### LOAN DOCUMENTS

The term "Loan Documents," as used herein, means the following documents and any other documents previously, now, or hereafter given to evidence, secure, or govern the disbursement of the indebtedness to Borrower by Lender, including any and all extensions, renewals, amendments, modifications, and supplements thereof or thereto:

1. The Note executed by Borrower;
2. The following security documents:
  - (a) The Mortgage executed by Borrower;
  - (b) an Assignment of Rents, executed by Borrower, assigning to Lender all rents, issues, deposits, and profits pertaining to the Property owned by Borrower;
  - (c) a Security Agreement and Collateral Assignment Under Land Trust, executed by the owner of the beneficial interest of Borrower ("Beneficiary"), assigning to Lender all of Beneficiary's right, title, and interest in, to, and under the Trust Agreement described in the first paragraph of this document;
  - (d) a Security Agreement, executed by Borrower, granting Lender a security interest in certain personal property more fully described therein, under the Uniform Commercial Code as adopted in Illinois;
  - (e) certain Uniform Commercial Code Financing Statements, executed by Borrower and the owner of the beneficial interest of Borrower ("Beneficiary"), pertaining to the personal property described in the aforesaid Security Agreement;
  - (f) a Waiver of Defenses, executed by Borrower;
  - (g) an Owner's Consent, executed by Borrower and the owner of the beneficial interest of Borrower ("Beneficiary");
  - (h) A Building Loan Agreement, executed by Borrower;
  - (i) an Assignment of Development Materials, executed by Borrower;
  - (j) an Assignment of Contract Documents, executed by Borrower;
  - (k) an Assignment of Plans and Specifications, executed by Borrower;

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