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NOW THEREFORE, the Mortgagor, to secure the payment of said principal sum of money and said interest in accordance with the terms, provisions and limitations of this Mortgage, and of the Note secured hereby, and the performance of the covenants and agreements herein contained, by the Mortgagor to be performed and also in consideration of the sum of Ten Dollars (\$10.00) in hand paid, the receipt and legal sufficiency whereof is hereby

WHEREAS, the indebtedness evidenced by the Note, including the principal thereof and interest and premium, if any, thereon, and any extensions and renewals thereof, in whole or in part, and any and all other sums which may be at any time due or owing or required to be paid as herein or in the Note provided, are herein called the "Indebtedness Hereby Secured."

WHEREAS, the Mortgagor is justly indebted to the Mortgagee upon the Promissory Note hereinafter described in the principal sum of Five Hundred Ninety Thousand Dollars (\$590,000.00) (sometimes hereinafter referred to as the "Note"), evidenced by one certain promissory note of the Mortgagor of even date herewith, made payable to the order of and delivered to the Mortgagee, in and by which said Note the Mortgagor promises to pay the said principal sum and interest at the rate and in installments as provided in said Note, with a final payment of the balance due on the 30th day of November, 1996, and all of said principal and interest are made payable at such place as the holder of the Note may from time to time in writing appoint, and in the absence of such appointment, then at the office of Mortgagee.

THIS MORTGAGE, made this 25th day of JUNE, 1971, by Pass-A-Gritze Realty Corporation, a North Carolina corporation, herein, whether one or more, and if more than one jointly and severally, called the "Mortgagor" whose address is 80 Prospect Street, Stamford, Connecticut 06901 to American National Bank of Arlington Heights (herein together with its successors and assigns, including each and every from time to time holder of the Note hereinafter referred to, called the "Mortgagee"), whose address is One North Dunton, Arlington Heights, Illinois 60005.

MORTGAGE

THIS DOCUMENT PREPARED BY AND MAIL TO: ROBERT A. STERNBERG, ESQ. Kowitz Shterin & Walzman 3436 North Kennicott Avenue Suite 150 Arlington Heights, Illinois 60004 P.I.N.: 04-22-300-007-0000

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acknowledged, does by these presents MORTGAGE, WARRANT and CONVEY unto the Mortgagee, its successors and assigns, the following real estate as legally described in Exhibit A attached hereto and incorporated by reference herein and all of its estate, right, title and interest therein, which, with the property hereinafter described, is collectively referred to herein as the "Premises." Together with Mortgagor's interest as lessor in and to all leases of the said Premises, or any part thereof, heretofore or hereafter made and entered into by Mortgagor during the life of this mortgage or any extension or renewal hereof.

Together with all improvements, buildings and structures now or at any time hereafter erected or situated on the real property, and all tenements, easements, fixtures and appurtenances thereto belonging, and all rents, issues and profits thereof (which are pledged primarily and on a parity with said real estate and not secondarily), together with all rights, title and interest of the Mortgagor, if any, in and to all shades, awnings, venetian blinds, screens, screen doors, storm doors and windows, stoves and ranges, curtain fixtures, partitions, apparatus, equipment and articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration and ventilation, and all fixtures, apparatus, equipment and articles, other than such as constitute trade fixtures, used in the operation of any business conducted on the Premises, all of which for the purposes of this Mortgage shall be deemed to be real estate and conveyed and mortgaged hereby, excepting any personal property owned by tenants of the Premises;

Together with all awards made to the present and all subsequent owners of the Premises by any governmental or other lawful authority for taking by eminent domain the whole or any part of the Premises or improvements thereon, the temporary use thereof or any easement thereon or thereunder, including any awards for any changes of grade of streets, which said awards are hereby assigned to Mortgagee, who is hereby authorized to collect and receive the proceeds of any such awards from said authorities and to give proper receipts and acquittances therefor.

Together with all right, title and interest of the Mortgagor, if any, in and to common areas and access roads on adjacent properties heretofore or hereafter granted to Mortgagor and in and to the land lying in the bed of any street, road, alley or avenue, opened or proposed, in front of or adjoining the above described real estate to the center line thereof.

TO HAVE AND TO HOLD the same unto the Mortgagee and its successors and assigns forever, together with all estates, titles, claims and demands whatsoever of the Mortgagor in and to said Premises or any part thereof, and the Mortgagor does hereby covenant, warrant and agree that it is lawfully seized and pos-

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essed of said real estate in fee simple absolute and has good and lawful right and authority to sell, convey and mortgage same; that said real estate is free from all liens, claims, charges and encumbrances whatsoever, except as set forth herein, and that Mortgagor will warrant and defend the title to said real property against the lawful claims and demands of all persons.

Provided, however, if and when Mortgagor has duly and punctually paid the principal amount of the Note and all interest as provided thereunder, has paid any and all other amounts required under the Note and this Mortgage, and has performed all of the terms, provisions, conditions and agreements herein contained in the part of the Mortgage to be performed or observed, then this Mortgage shall be released at the cost of Mortgagor, but otherwise shall remain in full force and effect.

The within mortgage secures an obligation incurred for the construction of an improvement on the land mortgaged herein including the acquisition cost of the land and constitutes a "construction mortgage" within the meaning of Section 9-313(i)(c) of the Illinois Uniform Commercial Code.

Mortgagor further covenants, warrants and agrees with the Mortgagee as follows:

1. Duty of Payment. Mortgagor will promptly pay the above described Note according to the tenor and effect thereof and as in said Note provided, and will also pay any other note or notes which hereafter may be given in renewal or extension thereof, and any and all other sums secured hereby at the time therein and herein designated. This Mortgage shall be and remain security for the payment of all such notes.

2. Prepayment Privilege. At such time as the Mortgagor is not in default under the terms of the Note, or under the terms of this Mortgage, the Mortgagor shall have the privilege of making prepayments on the principal of the Note (in addition to the required payments thereunder) in accordance with the terms and conditions, if any, set forth in the Note, but not otherwise.

3. Covenants. Mortgagor shall keep and perform all covenants, conditions and terms of this Mortgage and pay or cause to be paid to the Mortgagee the above described indebtedness with interest thereon according to the terms and conditions of said Note, and shall keep and perform all covenants, conditions and terms in said Note contained, all of which covenants, conditions and terms are incorporated by reference herein.

4. Maintenance, Repair and Restoration of Improvements, Payment of Liens, Etc. Mortgagor shall: (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (b)

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keep the Premises in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for liens not expressly subordinated to the lien hereof; (c) 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; (d) complete within a reasonable time any building or buildings now or at any time in process of erection upon the Premises; (e) comply with all requirements of law, municipal ordinances, rules, regulations or restrictions of record with respect to the Premises and the use thereof; (f) make no material alterations, repairs, additions or improvements in or on said Premises, except as required by law or municipal ordinance, without the written consent of Mortgagee which shall not be unreasonably withheld; (g) suffer or permit no change in the general nature of the occupancy of the Premises without Mortgagee's written consent which shall not be unreasonably withheld; (h) not initiate or acquiesce in any zoning reclassification without Mortgagee's written consent which consent shall not be unreasonably withheld; and (i) allow Mortgagee to inspect the Premises at any reasonable time, and access thereto shall be permitted for that purpose; and (j) cause the Premises at all times to be operated in compliance with all federal, state, local and municipal environmental, health and safety laws, statutes, ordinances, rules and regulations (herein called "Environmental Regulations") so that no cleanup, claim or other obligation or responsibility arises from a violation of any such laws, statutes, ordinances, rules and regulations.

5. Payment of Taxes. Mortgagor shall pay when first due and before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the Premises (all herein generally called "Taxes") when first due, and shall, upon written request, furnish to Mortgagee duplicate receipts thereof. To prevent default hereunder Mortgagor shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagor may desire to contest.

6. Contests. Notwithstanding anything to the contrary herein contained, Mortgagor shall have the right to contest by appropriate legal proceedings diligently prosecuted any taxes imposed or assessed upon the Premises or which may be or become a lien thereon and any mechanics', materialmen's or other liens or claims for lien upon the Premises (all herein called "Contested Liens"), and no Contested Lien shall constitute an Event of Default hereunder, if, but only if:

- (a) Mortgagor shall forthwith give notice of any Contested Lien to Mortgagee at the time the same shall be asserted;

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- (b) Mortgagor shall deposit with Mortgagee the full amount (herein called the "Lien Amount") of such Contested Lien or which may be secured thereby, together with such amount as Mortgagee may reasonably estimate as interest or penalties which might arise during the period of contest; provided that in lieu of such payment Mortgagor may furnish to Mortgagee a bond or title indemnity in such amount and form, and issued by a bond or title insuring company, as may be satisfactory to Mortgagee;
- (c) Mortgagor shall diligently prosecute the contest of any Contested Lien by appropriate legal proceedings having the effect of staying the foreclosure or forfeiture of the Premises, and shall permit Mortgagee to be represented in any such contest and shall pay all expenses incurred by Mortgagee in so doing, including fees and expenses of Mortgagee's counsel, all of which shall constitute so much additional Indebtedness Hereby Secured bearing interest at the Default Rate specified in the Note (hereinafter called the "Default Rate") until paid, and payable upon demand;
- (d) Mortgagor shall pay such Contested Lien and all Lien Amounts together with interest and penalties thereon (i) if and to the extent that any Contested Lien shall be determined adverse to Mortgagor, or (ii) forthwith upon demand by Mortgagee if, in the opinion of Mortgagee, and notwithstanding any such contest, the Premises shall be in jeopardy or in danger of being forfeited or foreclosed; provided that if Mortgagor shall fail so to do, Mortgagee may, but shall not be required to, pay all such Contested Liens and Lien Amounts and interest and penalties thereon and such other sums as may be necessary in the judgment of the Mortgagee to obtain the release and discharge of such liens; and any amount expended by Mortgagee in so doing shall be so much additional Indebtedness Hereby Secured bearing interest at the Default Rate until paid, and payable upon demand; and provided further that Mortgagee may in such case use and apply for the purpose monies deposited as provided in Subsection 6(b) above and may demand payment upon any bond or title indemnity furnished as aforesaid.

7. Insurance. Mortgagor shall keep all buildings and improvements now or hereafter situated on the Premises insured against loss or damage by fire and other hazards as may be reasonably required by Mortgagee, including, without limitation

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of the generality of the foregoing, war damage insurance whenever in the opinion of Mortgagee such protection is necessary and available, in forms, companies and amounts satisfactory to Mortgagee, and with mortgagee clauses attached to all policies in favor of and on forms satisfactory to Mortgagee, and shall deliver all policies to Mortgagee. If Mortgagee elects and so notifies Mortgagor, but not more frequently than once every three years, Mortgagor, at its expense, shall furnish Mortgagee with an appraisal of the full insurable value of the Premises, made by fire insurance appraisers satisfactory to Mortgagee and fire insurance companies generally. Mortgagor shall also carry liability insurance protecting Mortgagee (and any tenant or other user of the Premises) against liability for injuries to persons and property occurring in, on or adjacent to the Premises, in forms, companies, and amounts satisfactory to Mortgagee with the policy or policies evidencing such insurance to contain a thirty (30) day notice of cancellation clause in favor of Mortgagee. Such liability policy or policies or certificates thereof shall be delivered to Mortgagee. Mortgagor shall, until the indebtedness secured hereby is paid in full, furnish Mortgagee at least thirty (30) days prior to the date each coverage required herein would otherwise expire with evidence of the renewal or continuation of such coverage in the form of premium receipt or renewal policies or certificates.

Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a standard non-contributory mortgage clause acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the original policy or policies of such insurance. In the event of a foreclosure of the lien of this Mortgage, or of a transfer of title to the Premises either in lieu of foreclosure or by purchase at the foreclosure sale, all interest in all insurance policies in force shall pass to Mortgagee, transferee or purchaser, as the case may be.

8. Adjustment of Losses and Application of Proceeds of Insurance. In the event of any damage to or destruction of the Premises, covered by any policy or policies of insurance required to be carried by Mortgagor, Mortgagee may in its discretion (and it is hereby authorized to) either settle and adjust any claim under such insurance policies with the consent of Mortgagor, or allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss. In either case, the proceeds shall be paid to Mortgagee, if Mortgagee so elects and Mortgagee is authorized to collect and to give receipt therefor. If (a) Mortgagor or any lessee is obligated to rebuild and restore the damaged or destroyed buildings or improvements under the terms of any lease or leases which are or may be prior to the lien of this Mortgage, and (b) such damage or destruction does

not result in the cancellation or termination of any such lease, and (c) the insurers do not deny liability with respect to the loss, such proceeds, after deducting therefrom any expenses incurred in the collection thereof, shall be used to reimburse Mortgagor or the lessee (whichever is obligated under the terms of the lease to accomplish the rebuilding and restoration) for the cost of rebuilding and restoring the buildings and improvements on the Premises. In all other cases such insurance proceeds may, at the option of the Mortgagee, either be applied in reduction of the indebtedness secured hereby, whether or not then due and payable, or be held by Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding and restoration of buildings and improvements on the Premises.

In the event of rebuilding and repair, such repair and restoration of the buildings and improvements shall be commenced promptly after the occurrence of the loss and shall be so restored and rebuilt as to be of at least equal value and substantially the same character as prior to such damage and destruction, and in the event the estimated costs of rebuilding and restoration exceed twenty-five percent (25%) of the indebtedness then remaining unpaid as secured by this Mortgage, then the drawings and specifications pertaining to such rebuilding and restoration shall be subject to the prior written approval of Mortgagee.

In the event that Mortgagor or any lessee is entitled to reimbursement out of the insurance proceeds, such proceeds shall be made available from time to time upon the furnishing to Mortgagee of 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 payment as Mortgagee may reasonably require and approve. No payment made by Mortgagee prior to the final completion of the work shall, together with all payments theretofore made, exceed ninety percent (90%) of the value of the work performed to the time of payment, and at all times the undisbursed balance of said proceeds remaining in the hands of Mortgagee shall be at least sufficient to pay for the cost of completion of the work free and clear of liens.

Should a loss occur after foreclosure or sale proceedings have been instituted, the proceeds of any such insurance policy or policies, if not applied as aforesaid in rebuilding or restoration of the buildings or improvements, shall be used to pay the amount due in accordance with any decree of foreclosure, and the balance, if any, shall be paid to the owner of the equity of redemption if he shall then be entitled to the same, or otherwise as any court having jurisdiction may direct. Following any foreclosure sale, or other sale of the Premises by Mortgagee pursuant to the terms hereof, Mortgagee is authorized without the consent of Mortgagor to assign any and all insurance policies to

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the purchaser at the sale and to take such other steps as Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of such insurance policies.

9. Stamp Tax. If by the laws of the United States of America or of any state having jurisdiction of Mortgagor or of the Premises or of the transaction evidenced by the Note and this Mortgage, any tax or fee is due or becomes due in respect of the issuance of the Note hereby secured or the making, recording, and registration of this Mortgage, Mortgagor covenants and agrees to pay such tax or fee in the manner required by such law, and to hold harmless and indemnify Mortgagee, its successors and assigns, against any liability incurred by reason of the imposition of any such tax or fee.

10. Effect of Changes In Law Regarding Taxation. In the event of the enactment after the date hereof of any law of the state in which the Premises are located deducting from the value of land for the purposes of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges of liens herein required to be paid by Mortgagor, or changing in any of the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Premises, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder thereof, then and in any such event Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessment or reimburse Mortgagee therefore; provided, however, that if in the reasonable opinion of legal counsel for Mortgagee it might be unlawful to require Mortgagor to make such payment, or the making of such payment might be construed as imposing a rate of interest beyond the maximum permitted by law, then and in such event Mortgagee may elect by notice in writing given to Mortgagor to declare all of the indebtedness secured hereby to become due and payable sixty (60) days from the giving of such notice.

11. Mortgagee's Performance of Defaulted Acts. In case of any Event of Default (hereinafter defined), after applicable notice and grace periods other than payments due under said Note, Mortgagee may, but need not, make any payment or perform any act herein 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 the Premises, or contest any tax or assessment. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including all reasonable attorneys' fees and any other money advanced by Mortgagee to protect the Premises and the lien hereof, shall be so much additional indebtedness secured hereby

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and shall become immediately due and payable without notice and with interest thereon at the Default Rate from the date of expenditure or advance until paid. No inaction on the part of Mortgagee shall be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor.

12. Mortgagee's Reliance on Tax Bills, Etc. In making any payment hereby authorized relating to taxes or assessments or for the purchase, discharge, compromise or settlement of any prior lien, Mortgagee may make such payment according to any bill, statement or estimate secured from the appropriate public office without inquiry into the accuracy thereof or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof or without inquiry as to the validity or amount of any claim for lien which may be asserted.

13. Acceleration of Indebtedness in Case of Default. If one or more of the following events (herein sometimes called "Events of Default") shall have occurred: (a) default is made in the due and punctual payment of the Note or any installment thereof, either principal or interest, as and when the same is due and payable, or if default is made in the making of any payment of any other monies required to be made hereunder or under the Note, and any applicable period of grace specified in the Note shall have elapsed; or (b) Mortgagor shall file a petition in voluntary bankruptcy or under Chapter XI of the Federal Bankruptcy Code or any similar law, state or federal, whether now or hereafter existing, or any answer admitting insolvency or inability to pay its debts, or fails to obtain a vacation or stay of involuntary proceedings within thirty (30) days as hereinafter provided; or (c) Mortgagor shall transfer or assign all or a major portion of its assets, or shall be adjudicated a bankrupt, or a trustee or receiver shall be appointed for Mortgagor or for all or a major portion of its property in any involuntary proceeding, or any court shall have taken jurisdiction of the property of Mortgagor or of the major part thereof in an involuntary proceeding for the reorganization, dissolution, liquidation or winding up of Mortgagor and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within thirty (30) days; or (d) Mortgagor shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all of its property or the major part thereof; or (e) default shall be made in the due observance or performance of any other of the covenants or agreements or conditions herein contained, required to be kept or performed or observed by Mortgagor, and the same shall continue for thirty (30) days after written notice specifying such default is given by Mortgagee to Mortgagor; or (f) any representation or warranty made herein by Mortgagor shall prove to be untrue or inaccurate in any material respect and Mortgagor



shall fail to make good or correct such untruth or inaccuracy within thirty (30) days following receipt of written notice from Mortgagee; then in each and every such case the whole of said principal sum hereby secured shall at once at the option of the Mortgagee become immediately due and payable together with accrued interest thereon; or (g) the occurrence of an event of default under the terms of the Construction Loan Agreement of even date between Mortgagor, as Borrower, and Mortgagee, as Lender thereunder.

In the event that any default specified by Mortgagee to Mortgagor under either "(e)" or "(f)" above shall be of such nature that it cannot be cured or remedied within thirty (30) days, Mortgagor shall be entitled to a reasonable period of time to cure or remedy such default, provided Mortgagor commences the cure or remedy thereof within the thirty-day period following the giving of notice and thereafter proceeds with diligence to complete such cure or remedy.

14. Foreclosure; Expense of Litigation. When the indebtedness or any part thereof secured hereby becomes due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or any part thereof. In any civil action to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the order of judgment for foreclosure and sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraiser's fees, 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 said order or judgment) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such civil action or to evidence to bidders at any sale which may be had pursuant to such order or judgment the true condition of the title to, or the value of, the Premises. All expenditures and expenses of the nature in this paragraph mentioned and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the fees of any attorneys employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Premises, including probate, appellate and bankruptcy proceedings, or in preparations for the commencement or defense of any action or proceeding or threatened action or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the rate set forth in the Note applicable to a period when a default exists thereunder, and shall be secured by this Mortgage.

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At all times, the Mortgagor shall appear in and defend any suit, action or proceeding that might in any way in the sole judgment of Mortgagee affect the value of the Premises, the priority of this Mortgage or the rights and powers of Mortgagee hereunder or under any document given at any time to secure the indebtedness. Mortgagor shall, at all times, indemnify, hold harmless and reimburse Mortgagee on demand for any and all loss, damage, expense or cost, including cost of evidence of title and reasonable attorneys' fees, arising out of or incurred in connection with any such suit, action or proceeding, and the sum of such expenditures shall be secured by this Mortgage, and shall bear interest after demand at the rate specified in the Note applicable to a period when a default exists thereunder, and such interest shall be secured hereby and shall be due and payable on demand.

15. Application of Proceeds of Foreclosure Sale. 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 all such items as are mentioned in the preceding paragraph hereof; second, all other items which may 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; and fourth, any overplus to any party entitled thereto as their rights may appear on the records of the Mortgagee.

16. Appointment of Receiver or Mortgagee In Possession. Upon, or at any time after, the commencement of an action to foreclose this Mortgage, the court in which such action was commenced may, upon request of the Mortgagee, appoint a receiver of the Premises either before or after foreclosure sale, without notice and 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; and the Mortgagee or any holder of the Note may be appointed as such receiver or as Mortgagee in possession. Such receiver or the Mortgagee in possession shall have power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure action and, in case of a sale and a deficiency, during the full statutory period of redemption (if any), whether there be redemption or not, as well as during any further times (if any) when Mortgagor, except for the intervention of such receiver or Mortgagee in possession, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver or Mortgagee in possession to apply the net income in its hands in payment in whole or in part of:

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(a) the indebtedness secured hereby or by any order or judgment foreclosing the lien of this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or the lien of such order or judgment, provided such application is made prior to foreclosure sale; and (b) the deficiency in case of a sale and deficiency.

17. Mortgagee's Right to Inspect. Mortgagee shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

18. Condemnation. Mortgagor hereby assigns, transfers and sets over to Mortgagee the entire proceeds of any award or claim for damage for any of the mortgaged property taken or damages under the power of eminent domain or by condemnation. Mortgagee may elect to apply the proceeds of the award upon or in reduction of the indebtedness secured hereby, whether or not then due and payable, or to permit Mortgagor to restore or rebuild, in which event the proceeds shall be held by Mortgagee and used to reimburse Mortgagor for the cost of restoring and rebuilding all buildings and improvements on the Premises in accordance with plans and specifications to be submitted to and approved by Mortgagee. In the event Mortgagee holds the proceeds to reimburse Mortgagor or any lessee for the costs of rebuilding and restoring the Premises, then the proceeds of the award shall be paid out in the same manner as provided in Paragraph 7 hereof for the payment of insurance proceeds in reimbursement of the cost of rebuilding and restoration. If the amount of such award is insufficient to cover the costs of rebuilding and restoration, Mortgagor shall pay such cost in excess of the award before being entitled to reimbursement out of the award. Any surplus which may remain out of said award after payment of such cost of rebuilding and restoration shall, at the option of Mortgagee, be applied on account of the indebtedness secured hereby.

19. Release Upon Payment and Discharge of Mortgagor's Obligations. Upon punctual payment in full of the indebtedness secured hereby and the performance by Mortgagor of all of the obligations imposed on Mortgagor herein and in the Note, then this Mortgage shall be released at the cost of Mortgagor, but otherwise shall remain in full force and effect.

20. Notices. Any notice which either party hereto may desire or be required to give to the other shall be deemed to be an adequate and sufficient notice if given in writing, and service is made by personal delivery or by the mailing of such notice by registered or certified mail, return receipt requested, postage prepaid, addressed to Mortgagor at its address given on the first page hereof, or to Mortgagee at its address given on the first page hereof, or to such other place as either party hereto may by notice in writing to the other party designate as a

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place for service of notice. Any such notice, demand, request or other communication shall be deemed given when personally delivered or two (2) days after mailing, if mailed.

21. Surrender of Possession. In any case in which, under the provisions of this Mortgage, the Mortgagee has a right to declare the principal sums secured hereby to be immediately due and payable, either before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, or in any case where the Mortgagee has a right to commence proceedings for the sale of the Premises independent of any foreclosure proceedings, then Mortgagor shall forthwith upon demand of Mortgagee surrender to Mortgagee the possession of the premises and Mortgagee shall be entitled to take actual possession of the Premises or any part thereof personally or by its agents or attorneys, as for condition broken, and Mortgagee in its discretion may enter upon and take and maintain possession of all or any part of the Premises together with all documents, books, records, papers and account of the Mortgagor or the then owner of the Premises relating thereto, and may exclude Mortgagor, its agents or assigns wholly therefrom, and may as attorney-in-fact or agent of the Mortgagor or in its own name as Mortgagee and under the powers herein granted, operate, manage or control the Premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the income, rents, issues and profits of the Premises including actions for the recovery of rent, actions in forcible detainer and actions in distress for rents, hereby granting full power and authority to exercise each and every of the rights and privileges herein granted at any and all times hereafter, without notice to Mortgagor, and with full power to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same, to elect to disaffirm any lease or sublease made subsequent to this Mortgage or subordinate to the lien thereof (unless this Mortgage has specifically been made subordinate to such lease or sublease), to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises as may seem judicious, to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof, and to receive all of such income, rents, issues and profits. In such event, Mortgagor shall not be liable to third parties for the negligence of Mortgagee, its employees or agents. Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any lease, and the Mortgagor shall and does hereby agree to indemnify and to hold Mortgagee harmless from all liability, loss or damage which it might incur under said leases or under or by reason of the assignment thereof, and

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

22. Legal Rate of Interest. Notwithstanding anything herein or in the Note contained to the contrary, no provision contained herein and no provision contained in the Note shall be valid to the extent that it would require Mortgagor to pay any amount of interest or any fees, costs or expenses in excess of the legal maximum.

23. Copies of Leases and Facilities for Mortgagee's Inspection. On demand during reasonable business hours the Mortgagor will furnish to the Mortgagee executed counterparts of any such leases and convenient facilities for the audit and verification of any statements required to be furnished by Mortgagor hereunder.

24. Assignment of Rents. As further security for the indebtedness hereby secured, the Mortgagor has, concurrently herewith, executed and delivered to the Mortgagee a separate instrument (herein called the "Assignment") dated as of the date hereof, wherein and whereby, among other things, the Mortgagor has assigned to the Mortgagee all of the rents, issues and profits, and/or any and all Leases and/or the rights of management of the Premises, all as therein more specifically set forth, which said Assignment is hereby incorporated herein by reference as fully and with the same effect as if set forth herein at length; and in connection with the foregoing:

- (a) The Mortgagor agrees that it will duly perform and observe all of the terms and provisions on its part to be performed and observed under the Assignment;
- (b) The Mortgagor agrees that it will duly perform and observe all of the terms and provisions on lessor's part to be performed and observed under any and all Leases to the end that no default on the part of lessor shall exist thereunder; and
- (c) Nothing herein contained shall be deemed to obligate the Mortgagee to perform or discharge any obligation, duty or liability of lessor under any Lease; and the Mortgagor shall and does hereby indemnify and agree to defend and hold the Mortgagee

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harmless of and from any and all liability, loss or damage which the Mortgagee may or might incur under any lease or by reason of the Assignment; and any and all such liability, loss or damage incurred by the Mortgagee, together with the costs and expenses, including reasonable attorneys' fees, incurred by the Mortgagee in the defense (including preparation for defense) of any claims or demands therefor (whether successful or not), shall be so much additional Indebtedness Hereby Secured, and the Mortgagor shall reimburse the Mortgagee therefor on demand, together with interest thereon at the Default Rate from the date of demand to the date of payment.

25. Additional Documents. Mortgagor will, at Mortgagor's expense, at any time upon request by Mortgagee, execute and deliver all further assurances of title and all pertinent additional papers, information, records and instruments as may be reasonably required by Mortgagee for effectually carrying out the intentions of the parties hereto.

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

27. Amendments in Writing. This Mortgage cannot be changed except by an agreement in writing, signed by the party against whom enforcement of the change is sought.

28. Business Loan. Mortgagor represents and agrees that the loan evidenced by the Note and secured hereby is a business loan within the purview of Section 6404 of Chapter 17 of Illinois Revised Statutes (or any substitute, amended, or replacement statutes) and is transacted solely for the purpose of carrying on or acquiring the business of the Mortgagor or, if the Mortgagor is a trustee, for the purpose of carrying on or acquiring the business of the beneficiaries of the Mortgagor as contemplated by said Section.



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29. Deposits for Taxes. In order to assure the payment of Taxes and insurance premiums payable with respect to the Premises as and when the same shall become due and payable:

a) The Mortgagor shall deposit with the Mortgagee on the first day of each and every month, commencing with the date the first payment of interest and/or principal and interest shall become due on the Indebtedness Hereby Secured, an amount equal to:

(i) One-twelfth (1/12) of the Taxes next to become due upon the Premises; provided that, in the case of the first such deposit, there shall be deposited in addition, an amount as estimated by Mortgagee which, when added to monthly deposits to be made thereafter as provided for herein, shall assure to Mortgagee's satisfaction that there will be sufficient funds on deposit to pay Taxes as they come due; plus

(ii) Intentionally deleted.

Provided that the amount of such deposits (herein generally called "Tax Deposits") shall be based upon Mortgagee's reasonable estimate as to the amount of Taxes next to be payable.

(b) The aggregate of the monthly Tax Deposits, together with monthly payments of interest and/or principal and interest payable on the Note, shall be paid in a single payment each month, to be applied to the following items in the order stated:

(i) Taxes;

(ii) Indebtedness Hereby Secured other than principal and interest on the Note;

(iii) Interest on the Note;

(iv) Amortization of the principal balance of the Note.

(c) The Mortgagee will, out of the Tax Deposits, upon the presentation to the Mortgagee by the Mortgagor of the bills therefor, pay the Taxes or will, upon presentation of receipted bills therefor, reimburse the Mortgagor for such payments made by the Mortgagor; provided that (i) if the total Tax Deposits on hand shall not be sufficient to pay all

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of the Taxes when the same shall become due, then the Mortgagor shall pay to the Mortgagee on demand any amount necessary to make up the deficiency, and (ii) if the total of such Deposits exceed the amount required to pay the Taxes, such excess shall be credited on subsequent payments to be made for such items;

- (d) In the event of a default in any of the provisions contained in this Mortgage, in the Note or in other loan documents, the Mortgagee, at its option, without being required so to do, may apply any Tax Deposits on hand on any of the Indebtedness Hereby Secured, in such order and manner as the Mortgagee may elect, and in such case the Mortgagor will replenish any Tax Deposits so applied within 5 days after Mortgagee's demand; provided that when the Indebtedness Hereby Secured has been fully paid, then any remaining Tax and Insurance Deposits shall be paid to the Mortgagor;
- (e) All Tax Deposits are hereby pledged as additional security for the Indebtedness Hereby Secured, and shall be held in trust to be irrevocably applied for the purposes for which made as herein provided, and shall not be subject to the direction or control of the Mortgagor;
- (f) All Tax Deposits in the hands of Mortgagee shall be held without allowance of interest and need not be kept separate and apart but may be commingled with any funds of the Mortgagee until applied in accordance with the provisions hereof.

30. Financial Statements. The Mortgagor will, within ninety (90) days after the end of each fiscal year of the Mortgagor and of each guarantor and each tenant specified by Mortgagee, furnish to the Mortgagee at the place where interest thereon is then payable, financial and operating statements of the Premises and of each guarantor and each such tenant for such fiscal year, all in reasonable detail and in any event including such itemized statement of receipts and disbursements as shall enable Mortgagee to determine whether any default exists hereunder or under the Note; and in connection therewith:

- (a) Such financial and operating statements shall be prepared and certified at the expense of Mortgagor in such manner as may be acceptable to the Mortgagee, and the Mortgagee may, by notice in writing to the Mortgagor, require that the same be prepared and certified, pursuant to audit, by a firm of independent certified public accountants

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satisfactory to Mortgagee, in which case such accountants shall state whether or not, in their opinion, any default or Event of Default exists hereunder or under the Note; and

- (b) If the statements furnished shall not be prepared in accordance with generally accepted accounting principles consistently applied, or if Mortgagor fails to furnish the same when due, Mortgagee may audit or cause to be audited the books of the Premises and/or the Mortgagor and of each Guarantor and each such tenant, at Mortgagor's expenses, and the costs of such audit shall be so much additional Indebtedness Hereby Secured bearing interest at the Default Rate until paid, and payable upon demand.

31. Restrictions on Transfer. Subject to the provisions of Section 32 hereof and other relevant provisions of this Mortgage, it shall be an immediate Event of Default hereunder if, without the prior written consent of the Mortgagee, any of the following shall occur, and in any event Mortgagee may condition its consent upon such increase in rate of interest payable upon the Indebtedness Hereby Secured, change in monthly payments thereon, change in maturity thereof and/or the payment of a fee, all as Mortgagee may in its sole discretion require:

- (a) If the Mortgagor shall create, effect, contract for, commit to or consent to or shall suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the premises or any part thereof, or interest therein, excepting only sales or other dispositions of Collateral as defined in Section 33 (herein called "Obsolete Collateral") no longer useful in connection with the operation of the Premises; provided that prior to the sale or other disposition thereof, such Obsolete Collateral shall have been replaced by Collateral, subject to the first and prior lien hereof, of at least equal value and utility;
- (b) If the Mortgagor is a trustee, then if any beneficiary of the Mortgagor shall create, effect, contract for, commit to or consent to, or shall suffer or permit, any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of such beneficiary's beneficial interest in the Mortgagor;
- (c) If the Mortgagor is a corporation, or if any corporation is a beneficiary of a trustee mortgagor, then if any shareholder of such corporation shall

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create, effect, contract for, commit to or consent to or shall suffer or permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any such shareholder's shares in such corporation; provided that if such corporation is a corporation whose stock is publicly traded on a national securities exchange or on the "Over The Counter" market, then this Section 31(c) shall be inapplicable;

(d) If the Mortgagor is a partnership or joint venture, or if any beneficiary of a trustee Mortgagor is a partnership or joint venture, then if any general partner or joint venture in such partnership or joint venture shall create, effect or consent to or shall suffer or permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any part of the partnership interest or joint venture interest, as the case may be, of such partner or joint venturer; or

(e) If there shall be any change in control (by way of transfers of stock ownership, partnership interests or otherwise) in any general partner which directly or indirectly controls or is a general partner of a partnership or joint venture beneficiary as described in Subsection 31(d) above;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided that provisions of this Section 31 shall be operative with respect to, and shall be binding upon, any persons who, in accordance with the terms hereof or otherwise, shall acquire any part of or interest in or encumbrance upon the Premises, or such beneficial interest in, share of stock of or partnership or joint venture interest in the Mortgagor or any beneficiary of a Trustee Mortgagor; and provided further that no consent by Mortgagee to, or any waiver of, any event or condition which would otherwise constitute an Event of Default under this Section 31, shall constitute a consent to or waiver of any other or subsequent such event or condition or a waiver of any right, remedy or power of Mortgagee consequent thereon.

32. Permitted Transfers. The provisions of Section 31 hereof shall not apply to any of the following:

(a) Liens securing the Indebtedness Hereby Secured;



- (b) The lien of current real estate taxes and assessments not in default;
- (c) Transfers of the Premises, or part thereof, or interest therein or any beneficial interests, shares of stock, or partnership or joint venture interests, as the case may be, in the Mortgagor, or any beneficiary of a Trustee Mortgagor by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate, personal representatives and/or committee.

33. Uniform Commercial Code. This Mortgage constitutes a Security Agreement under the Uniform Commercial Code of the State of Illinois (herein called the "Code") with respect to any part of the Premises which may or might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate (all herein called "Collateral"); all of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Premises; and the following provisions of this Section 33 shall not limit the generality or applicability of any other provision of this Mortgage, but shall be in addition thereto:

- (a) The Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof;
- (b) The Collateral is to be used by the Mortgagor solely for business purposes, being installed upon the Premises for Mortgagor's own use or as the equipment and furnishings furnished by Mortgagor, as landlord, to tenants of the Premises.
- (c) The Collateral will be kept at the Premises and will not be removed therefrom without the consent of the Mortgagee (being the Secured Party as that term is used in the Code) by Mortgagor or any other person; and the Collateral may be affixed to the Premises but will not be affixed to any other real estate;
- (d) The only persons having any interest in the Premises are the Mortgagor, Mortgagee and persons occupying the Premises as tenants only;
- (e) No Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor



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will at its own cost and expense, upon demand, furnish to the Mortgagee such further information and will execute and deliver to the Mortgagee such financing statement and other documents in form satisfactory to the Mortgagee, and will do all such acts and things as the Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Indebtedness Hereby Secured, subject to no adverse liens or encumbrances; and the Mortgagor will pay the cost of filing the same or filing or recording such financing statements or other documents, and this instrument, in all public offices whenever filing or recording is deemed by the Mortgagee to be necessary or desirable;

- (f) Upon the occurrence of any Event of Default hereunder and at any time thereafter (such Event of Default not having previously been cured), the Mortgagee at its option may declare the Indebtedness Hereby Secured immediately due and payable, all as more fully set forth in Section 13 hereof, and thereupon Mortgagee shall have the remedies of a secured party under the Code, including without limitation the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as the Mortgagor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code);
- (g) The Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral, subject to the Mortgagor's right of redemption, if any, in satisfaction of the Mortgagor's obligations as provided in the Code; provided that (i) the Mortgagee without removal may render the Collateral unusable and dispose of the Collateral on the Premises, and (ii) the Mortgagee may require the Mortgagor to assemble the Collateral and make it available to the Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties;

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- (h) The Mortgagee will give Mortgagor at least five (5) days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is made and the requirements of reasonable notice shall be met if such notice is mailed, by certified mail or equivalent, postage prepaid, to the address of the Mortgagor determined as provided in Section 20 hereof, at least five (5) days before the time of the sale or disposition;
- (i) The Mortgagee may buy at any public sale, and if the Collateral is a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, Mortgagee may buy at any private sale, and any such sale may be held as part of and in conjunction with any foreclosure sale of the Premises, the Collateral and Premises to be sold as one lot if Mortgagee so elects.
- (j) The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like, and the reasonable attorneys' fees and legal expenses incurred by Mortgagee, shall be applied in satisfaction of the Indebtedness Hereby Secured; and the Mortgagee will account to the Mortgagor for any surplus realized on such disposition;
- (k) The remedies of the Mortgagee hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Code shall not be construed as a waiver of any of the other remedies of the Mortgagee, including having the Collateral deemed part of the Premises upon any foreclosure thereof, so long as any part of the Indebtedness Hereby Secured remains unsatisfied;
- (l) The terms and provisions contained in this Section 33 shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code.

34. Effect of Extensions of Time, Amendments on Junior Liens and Others. Mortgagor covenants and agrees that:

- (a) If the payment of the Indebtedness Hereby Secured, or any part thereof, be extended or varied, or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent

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to such extension, variation or release, and their liability, if any, and the lien and all provisions hereof shall continue in full force and effect; the right of recourse against all such persons being expressly reserved by the Mortgagee, notwithstanding any such extension, variation or release;

- (b) Any person, firm or corporation taking a junior mortgage or other lien upon the Premises or any interest therein, shall take such lien, subject to the rights of the Mortgagee to amend, modify and supplement this Mortgage, the Note and the Assignment and to vary the rate of interest and the method of computing the same, and to impose additional fees and other charges, and to extend the maturity of the Indebtedness Hereby Secured, in each and every case without giving notice to, or obtaining the consent of, the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien;
- (c) Nothing in this Section contained shall be construed as waiving any provision of Section 31 hereof which provides, among other things, that it shall constitute an Event of Default if the Premises be sold, conveyed or encumbered.

35. Insurance Upon Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in restoring the improvements, as aforesaid, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct; and:

- (a) In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the Mortgagee's clause attached to each of the casualty insurance policies may be canceled and that the purchaser at foreclosure sale may cause a new loss clause to be attached to each of said casualty insurance policies making the loss thereunder payable to said purchaser and any such foreclosure decree may further provide that in case of a redemption under said decree as provided by statute, such redeмпtor may cause the preceding loss clause attached to each casualty insurance policy to be canceled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeмпtor; and

- (b) In the event of foreclosure sale, the Mortgagee is hereby authorized, without the consent of the Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as the Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

36. Construction Loan. The principal amount evidenced by the Note is to be used in the construction of certain improvements on the Premises and for the purposes set forth in the Construction Loan Agreement between Mortgagor as Borrower therein and Mortgagee as Lender therein and all in accordance with said Loan Agreement. Mortgagor covenants that it will perform or cause to be performed all of the terms, covenants and conditions of said Loan Agreement.

37. Indemnification. Mortgagor does hereby covenant and agree that:

- (a) Mortgagee shall have no responsibility for the control, care, management or repair of the Premises and shall not be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss, injury or death to any tenant, licensee, immediate stranger or other person;
- (b) No liability shall be asserted or enforced against Mortgagee in the exercise of the rights and powers hereby granted to the Mortgagee, and Mortgagor hereby expressly waives and releases any such liability;
- (c) Mortgagor shall and does hereby indemnify and hold Mortgagee harmless from any liability, loss or damage which Mortgagee may or might incur by reason of (i) exercise by Mortgagee of any right hereunder, and (ii) any and all claims and demands whatsoever which may be asserted against Mortgagee by reason of any violation of, or liability under any Environmental Regulation (other than due solely to an act or omission of Mortgagee after obtaining possession or control of the Premises) or of any alleged obligation or undertaking on Mortgagee's part to perform or discharge any of the terms, covenants or agreements contained herein or in any instrument evidencing, securing or relating to the Indebtedness Hereby Secured or in any contracts, agreements or other instruments relating to or affecting the Premises; any and all such liability, loss or damage incurred by the Mortgagee, together

with the costs and expenses, including reasonable attorneys' fees incurred by Mortgagee in the defense (including preparation for defense) of any claims or demands therefor (whether successful or not) shall be so much additional Indebtedness Hereby Secured, and the Mortgagor shall reimburse the Mortgagee therefor on demand, together with interest thereon at the Default Rate from the date of demand to the date of payment except for any damage caused solely by Mortgagee or an unlawful act committed solely by Mortgagee.

38. Mortgagor Not a Joint Venturer or Partner. Mortgagor and Mortgagee acknowledge and agree that in no event shall Mortgagee be deemed to be a partner or joint venturer with Mortgagor or any beneficiary of Mortgagor; and without limiting the foregoing, Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the Indebtedness Hereby Secured, or otherwise.

39. Title in Mortgagor's Successors. In the event that the ownership of the Premises or any part thereof becomes vested in a person or persons other than the Mortgagor (a) the Mortgagee may, without notice to the Mortgagor, deal with such successor or successors in interest of the Mortgagor with reference to this Mortgage and the Indebtedness Hereby Secured in the same manner as with the Mortgagor; and (b) the Mortgagor will give immediate written notice to the Mortgagee of any conveyance, transfer or change of ownership of the Premises; but nothing in this Section 39 contained shall vary or negate the provisions of Section 31 hereof.

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

41. Costs and Attorneys' Fees. Mortgagor agrees that all costs, charges and expenses, including all reasonable attorneys' fees incurred by the Mortgagee arising out of or in connection





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with any action, proceeding or hearing, legal or quasi legal, or the preparation therefor, in any way affecting or pertaining to the Mortgage, the Note, the Assignment, the Indebtedness Hereby Secured or the Premises, shall be promptly paid by the Mortgagor. If funds for same are advanced by the Mortgagee, all such sums so advanced shall be added to the Indebtedness Secured Hereby and shall bear interest at the Default Rate payable under the Note from the date of said advance, and shall be due and payable on demand.

42. Waiver of Defense. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good or available to the party interposing same in an action at law upon the Note hereby secured.

43. Successors and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon the Mortgagor and its successors and assigns (including, without limitation, each and every from time to time record owner of the Premises or any other person having an interest therein) and shall inure to the benefit of the Mortgagee and its successors and assigns and (a) wherever herein the Mortgagee is referred to, such reference shall be deemed to include the holder from time to time of the Note, whether so expressed or not; and (b) each such from time to time holder of the Note shall have and enjoy all of the rights, privileges, powers, options benefits and security afforded hereby and hereunder, and may enforce every and all of the terms and provisions hereof, as fully and to the same extent and with the same effect as if such from time to time holder was herein by name specifically granted such rights, privileges, powers, options, benefits and security and was herein by name designated the Mortgagee.

44. Provisions Severable. The unenforceability or invalidity of any provision or provisions hereof shall not render any other provision or provisions herein contained enforceable or invalid.

45. Time. Time is of the essence hereof and of the Note, Assignment and all other instruments or loan documents delivered in connection with the Indebtedness Hereby Secured, and no waiver of any obligation or option hereunder or thereunder hereby shall at any time thereafter be held to be a waiver of such other terms hereof or of the instruments delivered in connection with the Indebtedness Hereby Secured.

46. Governing Laws. This Mortgage shall be governed by, and construed in accordance with the laws of the State of Illinois.

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47. Mortgagor Will Not Discriminate. Mortgagor covenants and agrees at all times to be in full compliance with provisions of law prohibiting discrimination on the basis of race, color, creed or national origin including, but not limited to, the requirements of Title VIII of the 1968 Civil Rights Act, or any substitute, amended or replacement Acts.

48. Interest at the Default Rate. Without limiting the generality of any provision herein or in the Note contained, from and after the occurrence of any Event of Default hereunder, all of the Indebtedness Hereby Secured shall bear interest at the Default Rate.

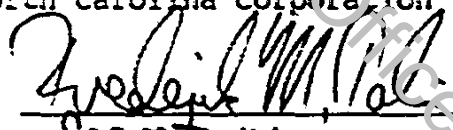
49. Estoppel Certificate. Mortgagor, within fifteen (15) days after mailing of a written request by the Mortgagee, agrees to furnish from time to time a signed statement setting forth the amount of the Indebtedness Hereby Secured and whether or not any default, offset or defense then is alleged to exist against the Indebtedness Hereby Secured and, if so, specifying the nature thereof.

50. Captions and Pronouns. The captions and headings of the various sections of this Mortgage are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof; and whenever the context requires or permits, the singular number shall include the plural, the plural shall include the singular and the masculine, feminine and neuter genders shall be freely interchangeable.

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

PASS-A-GRILLE REALTY COMPANY,  
a North Carolina corporation

By:  
Its:

  
Secretary

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STATE OF ILLINOIS )  
COUNTY OF Lake ) SS:

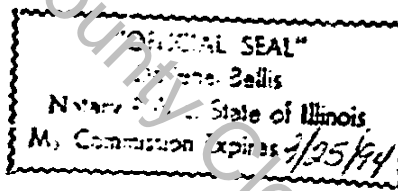
I, DARLENE BELLIS, a notary public in and for said county in the state aforesaid, do hereby certify that FREDERICK M. TOBIN, SECRETARY, (title) of Pass-A-Grille Realty Company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such SECRETARY (title) appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said company for the uses and purposes therein set forth.

Given under my hand and notarial seal this 28th day of JUNE, A.D., 1991.

Darlene Bellis  
NOTARY PUBLIC

My commission expires:

9/25/94



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## EXHIBIT "A"

THE EAST 264 FEET OF THE SOUTH HALF OF THE SOUTH WEST QUARTER OF THE NORTH WEST QUARTER OF THE SOUTH WEST QUARTER OF SECTION 22, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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