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Mortgage

THIS MORTGAGE is made on May 7, 1992, between

Nick A. Francone and Nancy J. Francone, his wife

who reside at 902 Willow Lane, Mt. Prospect, Illinois (the "Mortgagor")

and NBD Countryside Bank of Mt. Prospect (Bank Name)

a national (national/state) banking corporation

(corporation/partnership/other) whose address is 1190 S. Elmhurst Road, Mt. Prospect, Illinois (the "Mortgagee")

* To be deleted when this Mortgage is not executed by a Land Trust.

1. The Mortgagor MORTGAGES, CONVEYS AND WARRANTS to the Mortgagee real property and all the buildings, structures and improvements located on it, described as:

Lot(s) located in the Village of Mt. Prospect

County of Cook, State of Illinois

Lot 24 in Kaplan-Braun's Fourth Addition to Mount Prospect Unit No. 2, being a Subdivision of the North 1/2 of Section 14, Township 41 North, Range 11, East of the Third Principal Meridian in Cook County, Illinois.

DEPT-01 RECORDING $27.00
T#2222 TRAN 9454 09/29/92 13:07:00
#0408 # B *-92-721989
COOK COUNTY RECORDER

(the "Premises")

Commonly known as 902 Willow Lane, Mt. Prospect, Illinois 60056

Tax Parcel Identification No. 08-14-218-005

The Premises shall also include all the Mortgagor's right, title and interest in and to the following:

(a) All easements, rights of way, licenses, privileges and hereditaments;

(b) Land lying in the bed of any road or the like, opened, proposed or vacated, or any strip or gore, adjoining the Premises;

(c) All the fixtures, apparatus, equipment, fittings, fixtures, and articles of personal property of every kind and nature whatsoever located now or at any time in or upon the Premises and used or useable in connection with any present or future operation of the Premises (all of which is called "Equipment"), it is agreed that all Equipment is part of the Premises and appropriated to the use of the real estate and, whether attached or not attached or not, shall for the purposes of this Mortgage unless the Mortgagee shall otherwise elect, be deemed conclusively to be real estate and mortgaged and warranted to the Mortgagee;

(d) All mineral, oil, gas and water rights, royalties, water and water stock, if any;

(e) All awards or payments, including interest thereon, as a result of, the exercise of the right of eminent domain, the alteration of the grade of any street, the loss of or damage to any building or other improvement on the Premises, any other injury to or decrease in the value of the Premises.

The Premises are unencumbered except as follows: encumbrances of record

2. Permitted Encumbrances. If the Premises are encumbered by Permitted Encumbrances, the Mortgagor shall perform all obligations and make all payments required by the Permitted Encumbrances. The Mortgagor shall provide copies of all writings pertaining to Permitted Encumbrances, and the Mortgagee is authorized to request and receive this information from any other person without the consent or knowledge of the Mortgagor.

This Mortgage secures the indebtedness or obligation evidenced by:

(a) the note(s) dated May 7, 1992 in the principal amount(s) of 245,848.96 respectively, maturing on May 7, 1997 executed and delivered by Delfron, Inc. to the Mortgagee with interest at the per annum rate of One (1) above the rate announced from time to time as Mortgagee's prime rate (the "Prime Rate") on the principal balance remaining from time to time unpaid. Interest after default or maturity of the note, whether by acceleration or otherwise, on the principal balance of the note remaining from time to time unpaid shall be at the per annum rate of Three (3) above the Prime Rate, and

(b) the guaranty of the debt of dated executed and delivered by to the Mortgagee; and

(c) the

(the "Debt").

32721989

Lenders 72/127

This Mortgage includes any extensions, renewals, modifications or replacements without limit as to the number or frequency (the "Debt").

CROSS-DEFAULT. The Debt shall also include all other present and future, direct and indirect, liabilities and indebtedness of the Mortgagor, or any one or more of them, to the Mortgagee without offsets to the Mortgagee. This shall not apply to any obligation of the Mortgagor for personal, family or household purposes and/or this Mortgage expressly states that it is secured by this Mortgage.

The Mortgagor shall observe the performance of the promises and agreements contained in this Mortgage.

The Mortgagor promises and agrees as follows:

1. **PAYMENT OF DEBT; PERFORMANCE OF OBLIGATIONS.** The Mortgagor shall promptly pay when due, whether by acceleration or otherwise, all Debt for which the Mortgagor is liable, and shall promptly perform all obligations to which the Mortgagor has agreed under the terms of this Mortgage and any loan documents evidencing the Debt.

2. **TAXES.** The Mortgagor shall pay, when due and before any interest shall accrue, all taxes, assessments, fines, impositions, and charges which may be or become a lien prior to this Mortgage. Should the Mortgagor fail to make such payments, the Mortgagee may, at its option and at the expense of the Mortgagor, pay the amounts due for the account of the Mortgagor. Upon the request of the Mortgagee, the Mortgagor shall promptly furnish to the Mortgagee all notices of amounts due and receipts evidencing payment. The Mortgagor shall promptly notify the Mortgagee of any liens on the Premises or any part of the Premises and shall promptly discharge any unpermitted lien or encumbrance.

3. **CHANGE IN TAXES.** In the event of the passage of any law or regulation, state, federal or municipal, subsequent to the date of this Mortgage in any manner changing or modifying the laws now in force governing the taxation of mortgages or debts secured by mortgages, or the manner of collecting such taxes, the entire principal secured by this Mortgage and all interest accrued shall become due and payable immediately at the option of the Mortgagee.

4. **INSURANCE.** The Mortgagor shall keep the Premises and the present and future buildings and other improvements on the Premises, constantly insured for the benefit of the Mortgagee, until the Debt is fully paid, against fire and such other hazards and risks customarily covered by the standard form of extended coverage endorsement available in the State of Illinois, including risks of vandalism and malicious mischief, and shall further provide flood insurance if the Premises are situated in an area designated as a flood risk area by the Director of the Federal Emergency Management Agency or as otherwise required by the Flood Disaster Protection Act of 1973 and regulations issued under it, and such other appropriate insurance as the Mortgagee may require from time to time. All insurance policies and renewals must be acceptable to Mortgagee, must provide for payment to the Mortgagee in the event of loss, must require 30 days notice to the Mortgagee in the event of nonrenewal or cancellation, and must be delivered to the Mortgagee. Should the Mortgagor fail to insure

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OR SUBSEQUENT TO THE DATE OF THIS MORTGAGE. IN THE EVENT THE PREMISES IS AGRICULTURAL PROPERTY AND MORTGAGOR IS AN ILLINOIS CORPORATION, A FOREIGN CORPORATION LICENSED TO DO BUSINESS IN THE STATE OF ILLINOIS OR A CORPORATE TRUSTEE OF AN EXPRESS TRUST, MORTGAGOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OF JUDGMENT OF FORECLOSURE OF THIS MORTGAGE AND ANY RIGHTS OF REINSTATEMENT PURSUANT TO THE LAWS OF THE STATE OF ILLINOIS REGARDING FORECLOSURE OF MORTGAGES, ON MORTGAGOR'S OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF MORTGAGOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PREMISES, AS OF OR SUBSEQUENT TO THE DATE OF THIS MORTGAGE. IN THE EVENT THE PREMISES IS RESIDENTIAL PROPERTY AS DEFINED UNDER THE LAWS OF THE STATE OF ILLINOIS REGARDING FORECLOSURE OF MORTGAGES, BUT PRIOR TO THE FILING OF A COMPLIANT FOR FORECLOSURE, THE PREMISES CEASES TO QUALIFY AS RESIDENTIAL PROPERTY, MORTGAGOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE OF THIS MORTGAGE AND ANY RIGHTS OF REINSTATEMENT PURSUANT TO THE LAWS OF THE STATE OF ILLINOIS REGARDING FORECLOSURE OF MORTGAGES, ON MORTGAGOR'S OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF THE MORTGAGOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PREMISES AS OF OR SUBSEQUENT TO THE DATE OF THIS MORTGAGE.

23. **WAIVER OF JURY TRIAL.** The Mortgagee and the Mortgagor after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily and intentionally waive any right either of them may have to a trial by jury in any litigation based upon or arising out of this Mortgage or any related instrument or agreement or any of the transactions contemplated by this Mortgage or any course of conduct, dealing, statements, whether oral or written or actions of either of them. Neither the Mortgagee nor the Mortgagor shall seek to consolidate, by counterclaim or otherwise, any such action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. These provisions shall not be deemed to have been modified in any respect or relinquished by either the Mortgagee or the Mortgagor except by a written instrument executed by both of them.

24. **MISCELLANEOUS.** If any provision of this Mortgage is in conflict with any statute or rule of law or is otherwise unenforceable for any reason whatsoever, then the provision shall be deemed null and void to the extent of such conflict or unenforceability and shall be deemed severable from but shall not invalidate any other provisions of this Mortgage. No waiver by the Mortgagee of any right or remedy granted or failure to insist on strict performance by the Mortgagor shall affect or act as a waiver of any right or remedy of the Mortgagee, nor affect the subsequent exercise of the same right or remedy by the Mortgagee for any subsequent default by the Mortgagor, and all rights and remedies of the Mortgagee are cumulative.

These promises and agreements shall bind and these rights shall be to the benefit of the parties and their respective successors and assigns. If there is more than one Mortgagor, the obligations under this Mortgage shall be joint and several.

This Mortgage shall be governed by Illinois law except to the extent it is preempted by Federal law or regulations.

Witness the hand ... and seal ... of Mortgagor the day and year set forth above.

THIS INSTRUMENT WAS PREPARED BY:

COUNTRYSIDE BANK
3150 S. WOLF ROAD
MT. PROSPECT, IL 60056

Nick A. Francone

Nancy J. Francone

Not personally, but as Trustee under a Trust Agreement dated

..... , 19, ... and known as Trust No .....

By: .....

By: .....

State of Illinois)
) SS
County of Cook)

I, Jill K. Rusten, a Notary Public in and for said County and State, do hereby certify that Nick A. Francone & Nancy J. Francone personally known to me to be the same person(s) whose name(s) are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as his/her free and voluntary act, for the uses and purposes herein set forth.

Given under my hand and notarial seal this 7th day of May, 19 92.

" OFFICIAL SEAL "
JILL K. RUSTEN
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 8/24/95

My Commission Expires: .....

Jill K. Rusten
Notary Public

State of Illinois)
) SS
County of .....)

I, ..., a Notary Public in and for said County, in the State aforesaid, do hereby certify that ..... of ..... a ..... (corporation) (association) and ..... of said (corporation) (association) personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such ..... and ..... , respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of said (corporation) (association), as Trustee, for the uses and purposes therein set forth; and the said ..... did also then and there ackowledge that he, as custodian of the corporate seal of said (corporation) (association), affixed the said corporate seal of said (corporation) (association) to said instrument as his own free and voluntary act, and as the free and voluntary act of said (corporation) (association), as Trustee, for the uses and purposes therein set forth.

Given under my hand and notarial seal, this ..... day of ..... , 19 .....

My Commission Expires: .....

Notary Public

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subsequent to the date that the Mortgagor takes title and possession of the Premises or any part of the Premises, shall have fully terminated, (b) foreclosure of this Mortgage or acceptance of a deed in lieu of foreclosure, (c) the Mortgagor shall be in default of its indemnity obligation with respect to any Hazardous Material introduced onto the Premises or any part of the Premises by the Mortgagor or any agent or employee of the Mortgagor.

(ii) The Mortgagor covenants that in the event this Mortgage is foreclosed or the Mortgagor tenders a deed in lieu of foreclosure, the Mortgagor shall deliver the Premises to the Mortgagee free of any and all Hazardous Materials which are then required to be removed whether over time or immediately pursuant to applicable federal, state and local laws, ordinances, rules or regulations affecting the Premises.

For purposes of this Mortgage "Hazardous Materials" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et. seq.) the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801 et. seq.) the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901 et. seq.) and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule or regulation.

The provisions of this paragraph shall be in addition to any and all other obligations and liabilities the Mortgagor may have to the Mortgagee under the Debt, any loan documents, and in common law, and shall survive (a) the repayment of all sums due for the debt, (b) the satisfaction of all of the other obligations incident to the Mortgage or this Mortgage and under any loan document, (c) the discharge of this Mortgage, (d) the foreclosure of this Mortgage or acceptance of a deed in lieu of foreclosure. Notwithstanding anything to the contrary contained in this Mortgage, it is the intention of the Mortgagor and the Mortgagee that the indemnity provisions of this paragraph shall not apply to any action, claim, or demand against any owner or operator of the Premises in which the Mortgagee is threatened or any claim is made against the Mortgagee for the payment of money.

C. EVENTS OF DEFAULT AND ACCELERATION: Upon the occurrence of any event of default, the Mortgagee shall be entitled to exercise its remedies under this Mortgage or otherwise provided by law. (a) the Mortgagor or, if other than the Mortgagor, the principal obligor of the Debt ("Principal Obligor") fails to pay when due any sum payable under the note or the debt, any guaranty, or any other agreement evidencing the Debt, (b) the Mortgagor or Principal Obligor fails to observe or perform any other term of the note or the guaranty, or any other agreement, (c) any representation made by Mortgagor in any material incorrect or misleading representation to any financial statement or other information delivered to the Mortgagee, (d) the Mortgagor or Principal Obligor defaults under the terms of this Mortgage, any loan agreement, security agreement or other document executed as part of the Debt or any guaranty of the Debt becomes unenforceable in whole or in part or any guarantor fails to promptly perform under such a guaranty, (e) the Mortgagor fail to pay when due any amount payable under any note or agreement evidencing debt to the Mortgagee or defaults under the terms of any agreement or instrument relating to or securing any debt for borrowed money owing to the Mortgagee, (f) a "reportable event" as defined in the Employee Retirement Income Security Act of 1974 as amended (ERISA) that would permit the Pension Benefit Guaranty Corporation to institute any employee benefit plan of the Mortgagor or Principal Obligor, (g) the affairs of the Mortgagor or Principal Obligor occur, (h) the Mortgagor or Principal Obligor becomes insolvent or unable to pay its debts as they become due, (i) the Mortgagor or Principal Obligor fail makes an assignment for the benefit of creditors or the consent to the appointment of a custodian, receiver or trustee for all or a substantial part of its assets, or (j) communicates any plan of liquidation or dissolution, reorganization, liquidation, insolvency or similar law of any jurisdiction now or hereafter in effect shall be instituted by or against the Mortgagor or Principal Obligor and such proceedings remain undismissed for 60 days after the commencement of the Mortgagor or Principal Obligor consents to the commencement of such proceedings, (k) an judgment is entered against the Mortgagor or Principal Obligor or any attachment, levy or garnishment is issued against any property of the Mortgagor or Principal Obligor, (l) any proceedings are instituted to collect or enforce any mortgage, judgment or lien affecting the Premises or Mortgagor shall create, incur or suffer to be hypothecated any part of the Premises or any interest therein without the prior written consent of the Mortgagee, (m) the Mortgagor or Principal Obligor dissolve, (n) the Mortgagor or Principal Obligor dissolve and the Board of Directors or Trustees dissolved, (o) the entire or substantial part of the Mortgagor's or Principal Obligor's business or assets be condemned, confiscated or seized by any governmental authority, (p) the foreclosure, [illegible] or prospective financial condition of the Mortgagor or Principal Obligor which in the Mortgagee's good faith determines [illegible]

D. REMEDIES UPON DEFAULT. Upon the occurrence of any of the events of default, the Mortgagee at the option of Mortgagee, the note and or any other agreement evidencing the debt shall be and become immediately due and payable and Mortgagor shall [illegible] Mortgagee's attorneys' fees and paralegal fees and all costs and expenses of the Mortgagee and all expenses incurred in [illegible] the Premises and other collateral [illegible] the Premises. When the indebtedness secured hereby shall be [illegible] or otherwise, Mortgagee shall be entitled to foreclose the lien of this Mortgage [illegible] and included as part of indebtedness secured hereby all indebtedness and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees and paralegal fees, appraisal fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, [illegible] title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be held [illegible] respect to the title to the premises. All expenditures and expenses of the kind mentioned in this paragraph and all foregoing statutes or [illegible] expenditures and expenses of the nature mentioned in this paragraph shall also apply to any expenditures or expenses incurred or paid by Mortgagee or on behalf of Mortgagee in connection with any proceeding, including, without limitation, probate and bankruptcy proceedings, to which Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness secured hereby; or (b) any preparation for the commencement of any suit for the foreclosure of this Mortgage after accrual of the right to foreclose whether or not actually commenced or preparation for the commencement of any suit to collect upon or enforce the provisions of the note or any instrument which secures the note after default, whether or not actually commenced; or (c) any preparation for the defense of any threatened suit or proceeding which might affect the Premises or the security hereof, whether or not actually commenced. The proceeds of any foreclosure sale 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 the items that are above mentioned; second, all other items which under the terms of this Mortgage constitute indebtedness secured by this Mortgage additional to that evidenced by the note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the note and the liabilities (first to interest and then to principal); fourth, any surplus to Mortgagor or Mortgagor's heirs, legal representatives, successors or assigns, as their rights may appear. Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such suit is filed may appoint a receiver of the Premises. The receiver's appointment may be made either before or after entry of judgment of foreclosure, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for the receiver and without regard to the then value of the Premises or whether the Premises shall be then occupied as a homestead or not. Mortgagee may be appointed as the receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises during the pendency of the foreclosure suit and, in case of an entry of judgment of foreclosure, during the full statutory period of redemption, if any, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of the receiver, would be entitled to collect the rents, issues and profits. Such receiver shall also have all other powers which may be necessary or are usual for the protection, possession, control, management and operation of the Premises. The court in which the foreclosure suit is filed may from time to time authorize the receiver to apply the net income in the receiver's hands in payment in whole or in part of the indebtedness secured hereby, or secured by any judgment foreclosing this Mortgage, or any tax, special assessment or other lien or encumbrance which may be or become superior to the lien hereof or of the judgment, and the deficiency judgment against Mortgagor or any guarantor of the note in case of a foreclosure sale and deficiency. No action for the enforcement of the lien or of any provision of this Mortgage shall be subject to any defense which would not be good and available to the party interposing the same in an action which would not be good and available to the party interposing the same in an action at law upon the note.

E. REPRESENTATIONS. If the Mortgagor is a corporation, it represents that it is a corporation duly organized, existing and in good standing under the laws of its state of incorporation, and that the execution and delivery of this Mortgage and the performance of the obligations it imposes are within its corporate powers, have been duly authorized by all necessary action of its board of directors, and do not contravene the terms of its articles of incorporation or by laws. If the Mortgagor is a general or limited partnership, it represents that it is duly organized and existing and that the execution and delivery of this Mortgage and the performance of the obligations it imposes do not conflict with any provision of its partnership agreement and have been duly authorized by all necessary action of its partners. Each Mortgagor represents that the execution and delivery of this Mortgage and the performance of the obligations it imposes do not violate any law and do not conflict with any agreement by which it is bound, and that no consent or approval of any governmental authority or any third party is required for the execution or delivery of this Mortgage or the performance of the obligations it imposes and that this Mortgage is a valid and binding agreement enforceable in accordance with its terms. Each Mortgagor further represents that it shall provide all balance sheets, profit and loss statements, and other financial statements, as requested by Mortgagee. Any such statements that are furnished to the Mortgagee are accurate and fairly reflect the financial condition of the organization and persons to which they apply on their effective dates, including contingent liabilities, on every type, which financial condition has not changed materially and adversely since those dates.

F. NOTICES. Notice from one party to another relative to this Mortgage shall be deemed effective if made in writing (including telecommunications) and delivered to the recipient's address, telex number or telecopier number set forth above by any of the following means: (a) hand delivery, (b) registered or certified mail, postage prepaid, with return receipt requested, (c) First Class or express mail, postage prepaid, (d) Federal Express, Purolator Courier or like overnight courier service or (e) telecopy, telex or other wire transmission with request for assurance of receipt in a manner typical with respect to communication of that type. Notice made in accordance with this paragraph shall be deemed delivered upon receipt if delivered by hand or wire transmission, 3 business days after mailing if mailed by registered or certified mail or one business day after mailing or deposit with an overnight courier service if delivered by express mail or overnight courier. This notice provision shall be applicable to any judicial or non judicial proceeding where Illinois law governs the manner and mode of notice in foreclosure or receivership proceedings.

G. WAIVER OF HOMESTEAD RIGHT. Mortgagor does hereby expressly waive and release all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois. Mortgagor does hereby expressly waive and release any and all rights of redemption with respect to marshalling of assets which secure the Debt or to require the Mortgagee to pursue its remedies against any other such assets.

H. WAIVER OF RIGHT OF REDEMPTION. MORTGAGOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE OF THIS MORTGAGE AND ANY RIGHTS OF REINSTATEMENT PURSUANT TO THE LAWS OF THE STATE OF ILLINOIS REGARDING FORECLOSURE OF REAL MORTGAGES ON MORTGAGOR'S OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF THE MORTGAGOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PREMISES AS OF

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or fail to pay the premiums on any insurance or fail to deliver the policies or certificates or renewals to the Mortgagee, then the Mortgagee at its option may have the insurance written or renewed and pay the premiums for the account of the Mortgagor. In the event of loss or damage, the proceeds of the insurance shall be paid to the Mortgagee alone. No loss or damage shall itself reduce the Debt. The Mortgagee is authorized to adjust and compromise a loss without the consent of the Mortgagor, to collect, receive and receipt for any proceeds in the name of the Mortgagee and the Mortgagor and to endorse the Mortgagor's name upon any check in payment of proceeds. The proceeds shall be applied first toward reimbursement of all costs and expenses of the Mortgagee in collecting the proceeds and then toward payment of the Debt or any portion of it, whether or not then due or payable, or the Mortgagee at its option may apply the proceeds, or any part to the repair or rebuilding of the Premises provided that Mortgagor is not then or at any time during the course of restoration of the Premises in default under this Mortgage and has complied with all requirements for application of the proceeds to restoration of the Premises as Mortgagee, in its sole discretion may establish.

5. **RESERVES FOR TAXES AND INSURANCE.** Mortgagor shall, if requested by Mortgagee, pay to Mortgagee, at the time of and in addition to the monthly installments of principal and/or interest due under the Debt a sum equal to one-twelfth (1/12) of (a) the amount estimated by Mortgagee to be sufficient to enable Mortgagee to pay at least thirty (30) days before they become due and payable, all taxes, assessments and other similar charges levied against the Premises, and (b) the amount of the annual premiums on any policies of insurance required to be carried by Mortgagor. Mortgagee shall apply the sums to pay the tax and insurance items. These sums may be commingled with the general funds of Mortgagee, and no interest shall be payable on them nor shall these sums be deemed to be held in trust for the benefit of Mortgagor. Upon notice at any time, the Mortgagor will, within ten (10) days, deposit such additional sum as may be required for the payment of increased taxes, assessments, charges or premiums. In the event of foreclosure of this Mortgage, any of the moneys then remaining on deposit with the Mortgagee or its agent shall be applied against the Debt prior to the commencement of foreclosure proceedings. The obligation of the Mortgagor to pay taxes, assessments, charges or insurance premiums is not affected or modified by the arrangements set out in this paragraph. Any default by the Mortgagor in the performance of the provisions of this paragraph shall constitute a default under this Mortgage.

6. **WASTE.** The Mortgagor shall keep the Premises in good repair, shall not commit or permit waste on the Premises nor do any other act causing the Premises to become less valuable. Non-payment of taxes and cancellation of insurance shall each constitute waste. Should the Mortgagor fail to effect the necessary repairs, the Mortgagee may at its option and at the expense of the Mortgagor make the repairs for the account of the Mortgagor. The Mortgagor shall use and maintain the Premises in conformance with all applicable laws, ordinances and regulations. The Mortgagee or its authorized agent shall have the right to enter upon and inspect the Premises at all reasonable times.

7. **ALTERATIONS, REMOVAL.** No building, structure, improvement, fixture or personal property constituting any part of the Premises shall be removed, demolished or substantially altered without the prior written consent of the Mortgagee.

8. **PAYMENT OF OTHER OBLIGATIONS.** The Mortgagor shall also pay all other obligations which may become liens or charges against the Premises for any present or future repairs or improvements made on the Premises, or for any other goods, services, or utilities furnished to the Premises and shall not permit any lien or charge of any kind securing the repayment of borrowed funds (including the deferred purchase price for any property) to accrue and remain outstanding against the Premises.

9. **ASSIGNMENT OF LEASES AND RENTS.** Further, Mortgagor does hereby pledge and assign to Mortgagee, all leases, written or verbal, rents, issues and profits of the Premises, including without limitation, all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing, and all deposits of money as advance rent or for security, under any and all present and future leases of the Premises, together with the right, but not the obligation, to collect, receive, demand, sue for and recover the same when due or payable. Mortgagee by acceptance of this Mortgage agrees, as a personal covenant, applicable to Mortgagor only, and not as a limitation or condition hereof and not available to anyone other than Mortgagor, that until a default shall occur or an event shall occur, which under the terms hereof shall give to Mortgagee the right to foreclose this Mortgage, Mortgagor may collect, receive and enjoy such avails. Upon the request of Mortgagee, Mortgagor shall deliver to Mortgagee all original leases of all or any portion of the Premises, together with assignments of such leases from Mortgagor to Mortgagee, which assignments shall be in form and substance satisfactory to Mortgagee. Mortgagor shall not, without Mortgagee's prior written consent, procure, permit or accept any prepayment, discharge or compromise of any rent or release any tenant from any obligation, at any time while the indebtedness secured hereby remains unpaid.

10. **ASSIGNMENT OF INTEREST AS TENANT OR PURCHASER.** If the Mortgagor's interest in the Premises is that of a tenant or a purchaser, the Mortgagor also assigns, mortgages and warrants to the Mortgagee, as additional security for the Debt, all of the Mortgagor's right, title and interest in and to any leases, land contracts or other agreements by which the Mortgagor is leasing or purchasing any part or all of the property, including all modifications, renewals and extensions and all of the Mortgagor's right, title or interest in any purchase options contained in any lease or other agreement. The Mortgagor agrees to pay each installment of rent, principal and interest required to be paid by it under the lease, land contract or other agreement when each installment becomes due and payable whether by acceleration or otherwise. The Mortgagor further agrees to pay and perform all of its other obligations under the lease, land contract or other agreement.

If the Mortgagor defaults in the payment of any installment of rent, principal, interest or in the payment or performance of any other obligation under the lease, land contract or other agreement, the Mortgagee shall have the right, but not the obligation, to pay the installment or installments and to pay or perform the other obligations on behalf of and at the expense of the Mortgagor. On receipt by the Mortgagee from the landlord or seller under the lease, land contract or other agreement of any written notice of default by the Mortgagor, the Mortgagee may rely on the notice as cause to take any action it deems necessary or reasonable to cure a default even if the Mortgagor questions or denies the existence or nature of the default.

11. **SECURITY AGREEMENT.** This Mortgage also constitutes a security agreement within the meaning of the Illinois Uniform Commercial Code ("UCC"), and Mortgagor grants to Mortgagee a security interest in any equipment and other personal property included within the definition of Premises. Accordingly, Mortgagee shall have all of the rights and remedies available to a secured party under the UCC. Upon the occurrence of an event of default under this Mortgage, the Mortgagee shall have in addition to the remedies provided by this Mortgage, any method of disposition of collateral authorized by the UCC with respect to any portion of the Premises subject to the UCC.

12. **REIMBURSEMENT OF ADVANCES.** If Mortgagor fails to perform any of its obligations under this Mortgage, or if any action or proceeding is commenced which materially affects Mortgagee's interest in the Premises (including but not limited to a lien priority dispute, eminent domain, code enforcement, insolvency, bankruptcy or probate proceedings), then Mortgagee at its sole option may make appearances, disburse sums and take action as it deems necessary to protect its interest (including but not limited to disbursement of reasonable attorneys' and paralegals' fees and entry upon the Premises to make repairs). Any amounts disbursed shall become additional Debt, shall be immediately due and payable upon notice from the Mortgagee to the Mortgagor, and shall bear interest at the highest rate payable on the Debt.

13. **DUE ON TRANSFER.** Notwithstanding any other provisions of this Mortgage, no sale, lease, mortgage, trust deed, grant by Mortgagor of an encumbrance of any kind, conveyance, transfer of occupancy or possession, contract to sell, or transfer of the Premises, or any part thereof, or sale or transfer of ownership of any beneficial interest or power of direction in a land trust which holds title to the Premises, shall be made without the prior written consent of Mortgagee.

14. **NO ADDITIONAL LIEN.** Mortgagor covenants not to execute any mortgage, security agreement, assignment of leases and rentals or other agreement granting a lien against the interest of Mortgagee in the Premises without the prior written consent of Mortgagee, and then only when the document granting that lien expressly provides that it shall be subject to the lien of this Mortgage for the full amount secured by this Mortgage, together with interest, and shall also be subject and subordinate to any then existing or future leases affecting the Premises.

15. **EMINENT DOMAIN.** Notwithstanding any taking under the power of eminent domain, alteration of the grade of any road, alley, or the like, or other injury or damage to or decrease in value of the Premises by any public or quasi-public authority or corporation, the Mortgagor shall continue to pay the Debt in accordance with the terms of the underlying loan documents until any award or payment shall have been actually received by Mortgagee. By executing this Mortgage, the Mortgagor assigns the entire proceeds of any award or payment and any interest to the Mortgagee. The proceeds shall be applied first toward reimbursement of all costs and expenses of the Mortgagee, including reasonable attorneys' and paralegals' fees of the Mortgagee in collecting the proceeds and then toward payment of the Debt whether or not then due or payable, or the Mortgagee at its option may apply the proceeds, or any part to the alteration, restoration or rebuilding of the Premises.

16. **HAZARDOUS WASTE.** The Mortgagor represents and warrants to the Mortgagee that (a) the Mortgagor has not used Hazardous Materials (as defined below), on, from or affecting the Premises in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials and, to the best of the Mortgagor's knowledge, no prior owner of the Premises or any existing or prior tenant, or occupant has used Hazardous Materials on, from or affecting the Premises in any manner which violates federal, state or local law, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials; (b) the Mortgagor has never received any notice of any violations (and is not aware of any existing violations) of federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials at the Premises and, to the best of the Mortgagor's knowledge, there have been no actions commenced or threatened by any party for noncompliance which affects the Premises; (c) Mortgagor shall keep or cause the Premises to be kept free of Hazardous Materials except to the extent that such Hazardous Materials are stored and/or used in compliance with all applicable federal, state and local laws and regulations; and, without limiting the foregoing, Mortgagor shall not cause or permit the Premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials, except in compliance with all applicable federal, state and local laws and regulations, nor shall Mortgagor cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor or any tenant, subtenant or occupant, a release, spill, leak or emission of Hazardous Materials onto the Premises or onto any other contiguous property; (d) the Mortgagor shall conduct and complete all investigations, including a comprehensive environmental audit, studies, sampling, and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials on, under, from or affecting the Premises as required by all applicable federal, state and local laws, ordinances, rules, regulations and policies, to the satisfaction of the Mortgagee, and in accordance with the orders and directives of all federal, state and local governmental authorities; and (e) the Mortgagor represents and warrants that there are no underground storage tanks on the Premises or as reasonably can be ascertainable on property adjacent to, or in close proximity to the Premises. If the Mortgagor fails to conduct an environmental audit required by the Mortgagee, then the Mortgagee may at its option and at the expense of the Mortgagor, conduct such audit.

Subject to the limitations set forth below, the Mortgagor shall defend, indemnify and hold harmless the Mortgagee, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses, including, without limitation, attorneys', paralegals' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses, known or unknown, contingent or otherwise, arising out of or in any way related to (a) the presence, disposal, release or threatened release of any Hazardous Materials on, over, under, from or affecting the Premises or the soil, water, vegetation, buildings, personal property, persons or animals; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials on the Premises; (c) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials with respect to the Premises, and/or (d) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of the Mortgagee, which are based upon or in any way related to such Hazardous Materials used in the Premises. The indemnity obligations under this paragraph are specifically limited as follows:

(1) the Mortgagor shall owe no indemnity obligation with respect to Hazardous Materials that are first introduced to the Premises or any part of the Premises

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