

# UNOFFICIAL COPY

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207206

## SECOND MORTGAGE

This Mortgage (hereinafter "Mortgage") is made as of June 4, 1993, by CIRCLE URBAN MINISTRIES, an Illinois not-for-profit corporation (the "Borrower") with an address at 118 N. Central, Chicago, IL 60644, to Local Initiatives Support Corporation, a New York not-for-profit corporation, with a mailing address at 733 Third Ave., New York, NY 10017, (the "Lender") and pertains to the real estate described in Exhibit A, which is attached hereto and hereby made a part hereof (the "Property").

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I

DEPT-01 RECORDINGS 167.00  
12777 TRAN 2595 07/16/93 11:50:00  
12893 \* -93-550378  
COOK COUNTY RECORDER

## RECITALS

1.01. Promissory Note. Whereas, Borrower has executed and delivered to Lender a Guaranty of a Promissory Note (the "Note") made by Circle Christian Development Corporation, an affiliate of Borrower ("CDC") of even date herewith, wherein CDC promises to pay to the order of Lender the principal amount of Two Hundred Ninety Seven Thousand, Five Hundred and No/100 Dollars (\$297,500.00) in repayment of a loan (the "Loan") from Lender to CDC in like amount, or so much thereof as may now or hereafter be disbursed by Lender under the Note, together with interest thereon, as set forth in the Note; and

1.02. Other Loan Documents. Whereas, as security for the repayment of the Loan, certain other loan documents as described in Exhibit B, which is attached hereto and made a part hereof, have been executed and delivered to Lender (the Note, this 23 Mortgage, the other Loan Documents described in said Exhibit B, and all other documents whether now or hereafter existing, that are executed and delivered as additional evidence of or security for repayment of the Loan are hereinafter referred to collectively as the "Loan Documents");

1.03. This Mortgage. Whereas, as security for the repayment of the Loan, in addition to the other Loan Documents, Borrower has executed and delivered to Lender this Mortgage.

This document was prepared by  
and after recording return to:

William A. Miceli  
Davis, Miner, Barnhill & Galland  
14 W. Erie St.  
Chicago, IL 60610  
(312) 751-1170

67.00  
Full

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## II

### THE GRANT

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

- (a) all buildings and other improvements of every kind and description, if any, now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration, and repair of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Mortgaged Property immediately upon the delivery thereof to the Premises;
- (b) all right, title, and interest of Borrower, including any after-acquired title or reversion, in and to the beds of the ways, streets, avenues, sidewalks, and alleys adjoining the Premises;
- (c) each and all of the tenements, hereditaments, easements, appurtenances, passages, waters, water courses, riparian rights, other rights, liberties, and privileges of the Premises or in any way now or hereafter appertaining thereto, including homestead and any other claim at law or in equity, as well as any after-acquired title, franchise, or license and the reversions or remainders thereof;
- (d) all rents, issues, deposits, and profits accruing and to accrue from the Premises and the avails thereof; and

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- (e) all fixtures and personal property now or hereafter owned by Borrower and attached to or contained in and used or useful in connection with the Premises or the aforesaid improvements thereon and all renewals or replacements thereof or articles in substitution therefor, whether or not the same be attached to such improvements, it being intended, agreed, and declared that all such property owned by Borrower and placed by it on the Premises or used in connection with the operation or maintenance thereof shall, so far as permitted by law, be deemed for the purpose of this Mortgage to be part of the real estate constituting and located on the Premises and covered by this Mortgage, and as to any of the aforesaid property that is not part of such real estate or does not constitute a "fixture," as such term is defined in the Uniform Commercial Code of the state in which the Premises are located, this Mortgage shall be deemed to be, as well, a security agreement under such Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Borrower hereby grants to the Lender as "secured party," as such term is defined in such Code.

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

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

## III

### GENERAL AGREEMENTS

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

3.02. Property Taxes. Borrower shall pay immediately when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer charges, and any other charges that may be asserted against the Property or any part thereof or interest therein, and to furnish to Lender duplicate receipts

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therefor within thirty (30) days after payment thereof. Borrower may, in good faith, and with reasonable diligence, contest the validity or amount of any such taxes or assessments, provided that:

- (a) such contest shall have the effect of preventing the collection of the tax or assessment so contested and the sale or forfeiture of the Mortgaged Property or any part thereof or interest therein to satisfy the same; and
- (b) Borrower has notified Lender in writing of the intention of Borrower to contest the same before any tax or assessment has been increased by any interest, penalties, or costs.

3.03. Tax Payments by Lender. Lender is hereby authorized after notice to Borrower to make or advance, in the place and stead of Borrower, any payment relating to taxes, assessments, water and sewer charges, and other governmental charges, fines, impositions, or liens that may be asserted against the Property, or any part thereof, and may do so according to any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy thereof or into the validity of any tax, assessment, lien, sale, forfeiture, or title or claim relating thereto. Lender is further authorized to make or advance, after notice to Borrower, in the place and stead of Borrower, any payment relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim, charge, or payment otherwise relating to any other purpose herein and hereby authorized, but not enumerated in this Paragraph 3.03, whenever, in its judgment and discretion, such advance seems necessary or desirable to protect the full security intended to be created by this Mortgage. In connection with any such advance, Lender is further authorized, at its option, to obtain a continuation report of title insurance policy prepared by a title insurance company of Lender's choosing. All such advances and indebtedness authorized by this Paragraph 3.03 shall constitute additional indebtedness secured hereby and shall be repayable by Borrower upon demand with interest at the rate set forth in the Note.

3.04. Condemnation and Eminent Domain. Any and all awards heretofore or hereafter made or to be made to the present, or any subsequent, owner of the Mortgaged Property, by any governmental or other lawful authority for the taking, by condemnation or eminent domain, of all or any part of the Mortgaged Property, any improvement located thereon, or any easement thereon or appurtenance thereof (including any award from the United States government at any time after the allowance of a claim therefor, the ascertainment of the amount thereto, and the issuance of a warrant for payment thereof), are hereby assigned by Borrower to

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Lender, to the extent of Borrower's liability under the Loan Documents, which awards Lender is hereby authorized to collect and receive from the condemnation authorities, and Lender is hereby authorized to give appropriate receipts and acquittances therefor. Borrower shall give Lender immediate notice of the actual or threatened commencement of any condemnation or eminent domain proceedings affecting all or any part of the Premises, or any easement thereon or appurtenance thereof (including severance of, consequential damage to, or change in grade of streets), and shall deliver to Lender copies of any and all papers served in connection with any such proceedings. Borrower further agrees to make, execute, and deliver to Lender, at any time upon request, free, clear and discharged of any encumbrance of any kind whatsoever, any and all further assignments and other instruments deemed reasonably necessary by Lender for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter made to Borrower for any taking, either permanent or temporary, under any such proceeding.

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

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

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

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

3.07. Liens and Transfers. Without Lender's prior written consent, Borrower shall not create, suffer, or permit to be created or filed against the Mortgaged Property or any part thereof hereafter any mortgage lien or other lien superior or inferior to the lien of this Mortgage, other than the permitted exceptions set forth in Schedule 1 attached hereto (the "Permitted Exceptions") provided that Borrower may, within thirty (30) days after the filing thereof, contest any lien claim arising from any work performed, material furnished, or obligation incurred by Borrower upon furnishing Lender security and indemnification reasonably satisfactory to Lender for the final payment and discharge thereof. In the event Borrower hereafter otherwise suffers or permits any superior or inferior lien to be attached to the Mortgaged Property or any part thereof without such consent, other than Permitted Exceptions, Lender shall have the unqualified right, at its option, to accelerate the maturity of the Note, causing the entire principal balance thereof and all interest accrued thereon to be immediately due and payable, without notice to Borrower.

If Borrower, without Lender's prior written consent, sells, transfers, conveys, assigns, hypothecates, or otherwise transfers the title to all or any portion of the Mortgaged Property, whether by operation of law, voluntarily, or otherwise, or contracts to do any of the foregoing, Lender shall have the unqualified right, at its option, to accelerate the maturity of the Note, causing the entire principal balance, accrued interest, and prepayment premium, if any, to be immediately due and payable, without notice to Borrower.

Any waiver by Lender of the provisions of this Paragraph 3.07 shall not be deemed to be a waiver of the right of Lender in the future to insist upon strict compliance with the provisions hereof.

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

3.09. Intentionally Omitted.

3.10. Other Amounts Secured. At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures in addition to any loan proceeds disbursed from time to time, the payment of any and all liquidated damages, expenses, and advances due to or paid or incurred by Lender in connection with the loan secured hereby, all in accordance with the other Loan Documents.

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

3.12. Security Instruments. Borrower shall execute, acknowledge, and deliver to Lender, within ten (10) days after request by Lender, a security agreement, financing statements, and any other similar security instrument required by Lender, in form and of content satisfactory to Lender, covering all property of any kind whatsoever owned by Borrower that, in the reasonable opinion of Lender, is essential to the operation of the Mortgaged Property and concerning which there may be any doubt whether has been a security interest has been granted. Borrower shall further execute, acknowledge, and deliver any financing statement, affidavit, continuation statement, certificate, or other document as Lender may request in order to perfect, preserve, maintain, continue, and extend such security instruments. Borrower further agrees to pay to Lender all reasonable costs and expenses incurred by Lender in connection with the preparation, execution, recording, filing, and refiling of any such document.

3.13. Releases. Lender without notice and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens thereon, may release from the lien all or any part of the Mortgaged Property, or release from liability any person obligated to repay any indebtedness secured hereby, without in any way affecting the liability of any party to any of the Note, this Mortgage, or any of the other Loan Documents, including without limitation any

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guaranty given as additional security for the indebtedness secured hereby, and without in any way affecting the priority of the lien of this Mortgage, and may agree with any party liable therefor to extend the time for payment of any part or all of such indebtedness. Any such agreement shall not in any way release or impair the lien created by this Mortgage or reduce or modify the liability of any person entity obligated personally to repay the indebtedness secured hereby, but shall extend the lien hereof as against the title of all parties having any interest, subject to the indebtedness secured hereby, in the Mortgage Property.

3.14. Insurance Coverage. Borrower will insure the Property against such perils and hazards, and in such amounts and with such limits, as Lender may from time to time require, and in any event will continuously maintain the following described policies of insurance (the "Insurance Policies"):

(i) If applicable, casualty insurance against loss and damage by all risks of physical loss or damage, including fire, windstorm, flood, earthquake and other risks covered by the so-called extended coverage endorsement in amounts not less than the full insurable replacement value of all Improvements, fixtures and equipment from time to time on the Property and bearing a replacement cost agreed amount endorsement;

(ii) If applicable, comprehensive public liability against death, bodily injury and property damage in an amount satisfactory to Lender;

(iii) If applicable, rental or business interruption insurance in amounts sufficient to pay, for a period of up to one (1) year, all amounts required to be paid by Borrower pursuant to the Note and this Mortgage;

(iv) If applicable, steam boiler and machinery insurance (if applicable to the Property); and

(v) If the Federal Insurance Administration (FIA) has designated the Property to be in a special flood hazard area and designated the community in which the Premises are located eligible for sale of subsidized insurance, first and second layer flood insurance when and as available; and

(vi) The types and amounts of coverage as are customarily maintained by owners or operators of like properties.



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3.15 Insurance Policies. All Insurance policies shall be in form, companies and amounts reasonably satisfactory to Lender. All Insurance Policies shall (i) include, when available, non-contributing Lender endorsements in favor of and with loss payable to Lender, (ii) include standard waiver of subrogation endorsements, (iii) provide that the coverage shall not be terminated or materially modified without thirty (30) days' advance written notice to Lender and (iv) provide that no claims shall be paid thereunder without ten (10) days' advance written notice to Lender. Borrower will deliver all Insurance Policies premium prepaid, to Lender and will deliver renewal or replacement policies at least thirty (30) days prior to the date of expiration of any policy. The requirements of the preceding sentence shall apply to any separate policies of insurance taken out by Borrower concurrent in form or contributing in the event of loss with the Insurance Policies.

3.16. Proceeds of Insurance. Borrower will give Lender prompt notice of any loss or damage to the Property, and:

(i) In case of loss or damage covered by any of the Insurance Policies, Lender (or, after entry of decree of foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case may be) may at its option either (i) settle and adjust any claim under such Insurance Policies without the consent of Borrower, or (ii) allow Borrower to settle and adjust such claim without the consent of Lender; provided that in either case Lender shall, and is hereby authorized to, collect and receipt for any such insurance proceeds; and the expenses incurred by Lender in the adjustment and collection of insurance proceeds shall be so much additional Indebtedness, and shall be reimbursed to Lender upon demand or may be deducted by Lender from said insurance proceeds prior to any other application thereof. Each insurance company which has issued an Insurance Policy is hereby authorized and directed to make payment for all losses covered by any Insurance Policy to Lender alone, and not to Lender and Borrower jointly.

(ii) Lender shall permit the Borrower to restore or rebuild the Premises using the proceeds of the Insurance Policies under the following conditions: (i) Borrower shall not be in default under any of the Loan Documents; (ii) Borrower shall have demonstrated to Lender's satisfaction that such restoration or repair is economically feasible; (iii) Lender shall have approved the plans and specifications for the restoration or repair; and (iv) In the event that the insurance proceeds are insufficient to restore the Premises to a substantially similar condition to that preceding the damage, Borrower will provide the funds to complete the restoration. If said conditions are not met, Lender may elect to apply the proceeds of the Insurance

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Policies to reduce the Indebtedness. In the event Lender applies the proceeds of Insurance Policies to the Indebtedness and such proceeds do not discharge that Indebtedness in full, the entire Indebtedness shall become immediately due and payable with interest thereon at the Default Rate specified in the Note (the "Default Rate").

(iii) Whether or not insurance proceeds are made available to Borrower, Borrower shall restore or repair the Improvements, to be of at least equal value, and of substantially the same character as prior to such casualty, all to be effected in accordance with plans, specifications and procedures approved in advance by Lender, and Borrower shall pay all costs of such restoring or repairing.

### 3.17. Environmental Matters: Notice.

(a) Borrower will not, install, use, generate, manufacture, produce, store, release, discharge or dispose of on, under or about the Premises, nor transport to or from the Premises, any Hazardous Substance (as defined below) nor allow any other person or entity to do so except in minor amounts and under conditions permitted by applicable laws, regulations and ordinances.

(b) Borrower will keep and maintain the Premises in compliance with, and shall not cause or permit the Premises to be in violation of, any Environmental Law (as defined below).

(c) Borrower will give prompt written notice to Lender of:

(1) any proceeding, investigation or inquiry commenced by any governmental authority with respect to the presence of any Hazardous Substance on, under or about the Premises or the migration thereof to or from adjoining property;

(2) all claims made or threatened in writing by any individual or entity against Borrower or the premises relating to any loss or injury allegedly resulting from any Hazardous Substance; and

(d) Lender shall have the right and privilege to : (i) join in and participate in, as a party if it so elects, any one or more legal proceedings or actions initiated with respect to the Premises; and to (ii) have all reasonable costs and expenses thereof (including without limitation Lender's reasonable attorneys' fees and costs) paid by Borrower if Lender has a reasonable basis to elect to join in and participate in said proceedings, and the Lender reasonably believes its interests are not being adequately protected by another party to such legal proceedings.

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(e) Borrower shall protect, and hold Lender and its directors, officers, employees, agents, successors and assigns harmless from and against any and all loss, damage, cost, expense and liability (including without limitation reasonable attorneys' fees and costs) directly or indirectly arising out of or attributable to the installation, use, generation, manufacture, production, storage, release, threatened release, discharge, disposal or presence of a Hazardous Substance on, under or about the Premises, excluding liability arising from the gross negligence of the Lender including without limitation: (i) all foreseeable consequential damages; (ii) the costs of any required or necessary repair, cleanup or detoxification of the Premises; and (iii) the preparation and implementation of any closure, remedial or other required plans. This indemnity shall survive the satisfaction, release or extinguishment of the lien of this Mortgage, including without limitation any extinguishment of the lien of this Mortgage by foreclosure or deed in lieu whereof.

(f) If any investigation, site monitoring, containment, cleanup, removal, restoration or other remedial work of any kind or nature (the "Remedial Work") is reasonably necessary or required (after exhausting appellate processes) under any applicable federal, state or local law, regulation or ordinance, or under any judicial or administrative order or judgment, or by any governmental person, board, commission or agency, because of or in connection with the current or future presence, suspected presence, release or suspected release of a Hazardous Substance in the air, soil, ground-water, surface water or soil vapor at, on, about, under or within the Premises or portion thereof, Borrower shall within thirty (30) days after written demand for the performance by Lender (or within such shorter time as may be required under applicable law, regulation, ordinance, order or agreement), commence and thereafter diligently prosecute to completion all such Remedial Work to the extent required by law. All Remedial Work shall be performed by contractors approved in advance by Lender and under the supervision of a consulting engineer approved in advance by Lender. All costs and expenses of such Remedial Work (including without limitation the reasonable fees and expenses of Lender's counsel) incurred in connection with monitoring or review of the Remedial Work shall be paid by Borrower. If Borrower shall fail or neglect to timely commence or cause to be commenced, or shall fail to diligently prosecute to completion, such Remedial Work, the Lender may (but shall not be required to) cause such Remedial Work to be performed; and all costs and expenses thereof, or incurred in connection therewith (including, without limitation, the reasonable fees and expenses of Lender's counsel), shall be paid by Borrower to Lender forthwith after demand and shall be a part of the indebtedness secured hereby.

(g) (1) The term "Environmental Law" means and includes, without limitation, any federal, state or local law,

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statute, regulation or ordinance pertaining to health, industrial hygiene or the environmental ecological conditions on, under or about the Premises, including without limitation each of the following: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"); the Resource Conservation and Recovery Act of 1976, as amended ("RCRA"); the Federal Hazardous Material Transportation Act, as amended; the Toxic Substance Control Act, as amended; the Illinois Environmental Protection Act, as amended; the Clean Air Act, as amended; the Federal Water Pollution Control Act, as amended; and the rules, regulations and ordinances of the U.S. Environmental Protection Agency, the Illinois Environmental Protection Agency and County of Cook and of all other agencies, boards, commissions and other governmental bodies and officers having jurisdiction over the Premises or the use or operation thereof.

(2) The term "Hazardous Substance" means and includes, without limitation: (i) those substances included within the definitions of "hazardous substances", "hazardous material", "toxic substances" or "solid waste" in any of the Environmental Laws; (ii) those substances listed in the U.S. Department of Transportation Table or amendments thereto (49 CFR 172.101) or by the U.S. Environmental Protection Agency (or any successor agency as hazardous substances (40 CFR Part 302 and any amendments thereto); (iii) those other substances, materials and wastes which are or became regulated under any applicable federal, state or local governmental agency, board, commission or other governmental body, or which are or became classified as hazardous or toxic by any such law, regulation or ordinance; and (iv) any material, waste or substance which is any of the following: (A) asbestos; (B) polychlorinated biphenyl; (C) designated or listed as a "hazardous substance" pursuant to (311 or (307 of the Clean Water Act (33 U.S.C. (1251 et. seq.)); (D) explosive; or (E) radioactive.

## IV

### DEFAULTS AND REMEDIES

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

- (a) Failure of Borrower to pay any sum secured hereby, including without limitation, any installment of principal thereof or interest thereon within the time periods set forth in the Loan Documents;

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- (b) Failure of Borrower to perform or observe any other covenant, warranty, or other provision contained in the Note or this Mortgage, which constitute an Event of Default under the Loan Agreement executed of even date herewith between Borrower and Lender;
- (c) Untruth or material deceptiveness of any representation or warranty contained in any of the Note, this Mortgage, or any other document or writing submitted to Lender by or on behalf of Borrower pertaining to the Loan;
- (d) Admission by Borrower in writing, including without limitation an answer or other pleading filed in any court, of Borrower's insolvency or its inability to pay its debts generally as they fall due;
- (e) Institution by Borrower of bankruptcy, insolvency, reorganization, or arrangement proceedings of any kind under the Federal Bankruptcy Code, whether as now existing or as hereafter amended, or any similar debtors' or creditors' rights law, federal or state, now or hereafter existing, or the making by Borrower of a general assignment for the benefit of creditors;
- (f) Institution of any such proceedings against Borrower that are consented to by Borrower or are not dismissed, vacated, or stayed within sixty (60) days after the filing thereof;
- (g) Appointment by any court of a receiver, trustee, or liquidator of or for, or assumption by any court of jurisdiction of, all or any part of the Mortgaged Property or all or a major portion of the property of Borrower, if such appointment or assumption is consented to by Borrower, or, within sixty (60) days after such appointment or assumption, such receiver, trustee, or liquidator is not discharged or such jurisdiction is not relinquished, vacated, or stayed; or
- (h) Declaration by any court or governmental agency of the bankruptcy or insolvency of Borrower.

4.02. Acceleration of Maturity. At any time during the existence of any Default, and at the option of Lender, the entire principal balance then outstanding under the Note, together with interest accrued thereon and all other sums due from Borrower

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thereunder or under this Mortgage and under any of the other Loan Documents, shall without notice be accelerated in accordance with the Loan Documents.

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

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

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

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Mortgaged Property, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding in connection therewith, shall be immediately due and payable by Borrower with interest at the rate set forth in the Note.

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

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

- (a) hold, operate, manage, and control all or any part of the Mortgaged Property and conduct the business, if any, thereof, either personally or by its agents, with full discretion may be deemed proper or necessary to enforce the payment or security of the rents, issues, deposits, profits, and avails of the Mortgaged Property, including without limitation actions for recovery of rent,

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actions in forcible detainer, and actions in distress for rent, all without notice to Borrower;

- (b) cancel or terminate any lease or sublease of all or any part of the Mortgage Property for any cause or on any ground that would entitle Borrower to cancel the same;
- (c) elect to disaffirm any lease or sublease of all or any part of the Mortgaged Property made subsequent to this Mortgage or subordinated to the lien hereof;
- (d) extend or modify any then-existing leases and make new leases of all or any part of the Mortgaged Property, which extensions, modifications, and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the loan evidenced by the Note and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon borrower, all persons whose interests in the Mortgaged Property are subject to the lien hereof, and the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the indebtedness secured hereby, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser; and
- (e) make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments, and improvements in connection with the Mortgaged Property as may seem judicious to Lender, to insure and reinsure the Mortgaged Property and all risks incidental to Lender's possession, operation, and management thereof, and to receive all rents, issues, deposits, profits, and avails therefrom.

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

4.09. Appointment of Receiver. Upon or at any time after the filing of any complaint to foreclose the lien of this Mortgage, the court may, upon application, appoint a receiver of the Mortgaged Property. Such appointment may be made either



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

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

4.11. Waiver of Statutory Rights. Borrower shall not apply for or avail itself of any appraisal, valuation, redemption, stay, extension, or exemption laws, or any so-called "moratorium laws," now existing or hereafter enacted, in order to prevent or

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hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Borrower, for itself and all who may claim through or under it, hereby also waives any and all rights to have the Mortgaged Property and estates comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may hereby order the Mortgaged Property sold in its entirety. Borrower hereby further waives any and all rights of redemption from sale under any order or decree of foreclosure of the lien hereof pursuant to the rights herein granted. for itself and on behalf of any trust estate of which the Premises are a part, all persons beneficially interested therein, and each and every person acquiring any interest in the Mortgaged Property or title to the Premises subsequent to the date of this Mortgage, and, if the Mortgaged Property is located in Illinois, on behalf of all other persons to the extent permitted by the provisions of Section 18(a) of Chapter 77 and the provisions of Chapter 110 of the Illinois Revised Statutes.

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

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## MISCELLANEOUS

5.01. Notices. Except as otherwise hereinabove specified, any notice that Lender or Borrower may desire or be required to give to the other shall be in writing and shall be mailed or delivered to the intended recipient thereof at its address hereinabove set forth or at such other address as such intended recipient may, from time to time, by notice in writing, designate to the sender pursuant hereto. Any such notice shall be deemed to have been delivered three (3) business days after mailing by United States registered or certified mail, return receipt requested, or when delivered in person with written acknowledgment of the receipt thereof.

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

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

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

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

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

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

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

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

5.10. Land Trust. If title to the Mortgaged Property or any part thereof is now or hereafter becomes vested in a trustee, any prohibition or restriction contained herein against the

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creation of any lien on the Mortgaged Property shall be construed as a similar prohibition or restriction against the creation of any lien on or security interest in the beneficial interest of such trust.

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

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

5.13 Subordination. This Mortgage is subordinate in all respects to a mortgage granted to LaSalle National Bank, securing a note in an amount of up to \$100,000.00, dated as of April 1, 1992, and recorded with the Cook County Recorder of Deeds as Document Number 92577170.

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

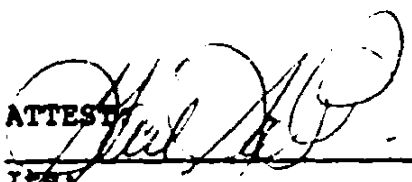
CIRCLE URBAN MINISTRIES, an  
Illinois not-for-profit  
corporation

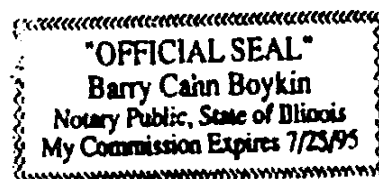
By:  
ITS:

  
Er. Director

ATTEST

ITS:

  
Secretary



93530899

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## EXHIBIT A

### Legal Description of Premises:

LOTS 39 AND 40 IN BLOCK 1 IN HENRY WALLER'S SUBDIVISION OF THE SOUTH 43 3/4 ACRES OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Permanent Index No.: 16-08-417-021-0000

Common Address: 130 N. Central Avenue  
Chicago, Illinois

Property of Cook County Clerk's Office

93530898

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## EXHIBIT B

### LOAN DOCUMENTS

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

1. The Note executed by CDC;
2. The Loan Agreement executed by CDC;
3. The Guaranty executed by Borrower.

Property of Cook County Clerk's Office

93580893



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## SCHEDULE 1

### PERMITTED EXCEPTIONS

1. Mortgage to LaSalle National Bank securing a note in an amount of up to \$100,000.00, dated as of April 1, 1992, and recorded with the Cook County Recorder of Deeds as Document No. 92577170.
2. Accrued taxes not yet payable for 1992 and following years.