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CONSTRUCTION LOAN MORTGAGE AND SECURITY AGREEMENT WITH COLLATERAL ASSIGNMENT OF LEASES AND RENTS [NONRECOURSE]

THIS CONSTRUCTION LOAN MORTGAGE AND SECURITY AGREEMENT WITH COLLATERAL ASSIGNMENT OF LEASES AND RENTS (this "Mortgage") made this 21st day of DECEMBER, 1992, between FIRST NATIONAL BANK OF EVERGREEN PARK, not personally but as Trustee under Trust Agreement dated OCTOBER 2, 1991, and known as Trust Number 12066 (the "Mortgagor") and COMMUNITY INVESTMENT CORPORATION having its principal place of business at 600 South Federal Street, Chicago, IL 60605 ("Mortgagee" herein).

RECITALS

WHEREAS, Mortgagor, FIRST NATIONAL BANK OF EVERGREEN PARK, has executed and delivered to Mortgagee, an Adjustable Rate Construction Loan Note of even date herewith in the principal amount of SEVEN HUNDRED TWENTY THOUSAND AND NO/100--- Dollars (\$ 720,000.00), which bears interest at the rate, and is payable in installments and on the dates, provided for therein, with a final payment, if not sooner paid, on the 1st day of JANUARY, 2008, and which note together with all notes delivered in substitution or exchange therefor are hereinafter collectively called the "Note." A true and correct copy of the Note is attached as Exhibit A hereto and made a part hereof; and

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WHEREAS, Mortgagee requires that the prompt payment of the Note, including the interest due in accordance with the terms thereof, and any additional indebtedness accruing to Mortgagee pursuant to the Note be secured by this Mortgage and further secured by the Security Agreement and Assignment Interest in Land Trust of even date herewith (the "Security Agreement") executed and delivered by Beneficiaries to Mortgagee;

NOW, THEREFORE, Mortgagor to secure payment of the indebtedness due or to become due pursuant to the Note, this Mortgage and the Security Agreement, and the performance of the covenants herein and therein contained to be performed, kept and observed by Mortgagor and/or Beneficiaries, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged does hereby MORTGAGE, GRANT and CONVEY unto Mortgagee, its successors and assigns, the real estate situated in the City of Harvey, County of Cook and State of Illinois, as more particularly described in Exhibit B attached hereto and made a part hereof

TOGETHER with all easements, rights of way, licenses, privileges, tenements, hereditaments and appurtenances belonging thereto and all rents, issues, proceeds and profits therefrom, including all right, title, estate and interest of Mortgagor therein at law or in equity;

TOGETHER with all buildings, structures and improvements now or hereafter erected thereon and all materials intended for construction, reconstruction, alteration and repair of such buildings, structures and improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the real estate immediately upon the delivery thereof to the premises, and also all machinery, apparatus, equipment, goods, systems and fixtures of every kind and nature now or hereafter located in or upon or affixed to said real estate or any part thereof, owned or hereafter acquired by Mortgagor and used or usable in connection with any present or future operation of the building on the real estate, including without limitation, all heating, lighting, refrigerating, ventilating, air conditioning, air cooling, lifting, fire extinguishing, plumbing, cleaning, communications, and power equipment, systems and apparatus, all gas, water and electrical equipment, systems and apparatus; all engines, motors, tanks, pumps, screens, storm doors, storm windows, shades, blinds, awnings, floor coverings,

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- (a) a sum equal to the amount estimated by Mortgagee as sufficient together with the payment of approximately equal installments as will result in the accumulation of a sufficient amount of money to pay all Impositions (as hereinafter defined) falling due with respect to the Mortgaged Premises, at least thirty (30) days before the applicable due date;
- (b) a sum equal to an installment of the premium or premiums that will become due and payable to renew the insurance required under paragraph 4 hereof.

Mortgagor and Beneficiaries will deposit monthly with Mortgagee or a depository designated by Mortgagee, in addition to the monthly installments of interest or principal and interest due on the Note, and concurrently therewith, until the principal indebtedness evidenced by the Note is paid, the following:

2. OTHER PAYMENTS.

Mortgagor and Beneficiaries will duly and punctually pay all principal and interest due on the Note and any prepayment premiums or late charges required thereunder, and the principal of, and interest on, any future Advances (as hereinafter defined) secured by this Mortgage, and will otherwise comply with the terms and conditions of the Note, at the times and in the manner therein provided.

1. PAYMENT AND COMPLIANCE WITH NOTE.

MORTGAGOR AND BENEFICIARIES, for itself, its successors and assigns, HEREBY COVENANTS AND AGREES WITH MORTGAGEE that:

THIS MORTGAGE IS GIVEN TO SECURE: (1) payment of the indebtedness secured hereby and (2) the performance of each and every of the covenants, conditions and agreements contained in the Note, this Mortgage and the Security Agreement or in any other instrument to which reference is expressly made in this Mortgage.

TO HAVE AND TO HOLD the Mortgaged Premises unto Mortgagee, its successors and assigns, forever, for the uses and purposes set forth herein. Mortgagee covenants that at the time of the execution and delivery of this Mortgage it holds fee simple title to the Mortgaged Premises and has the right and power, and has been duly authorized and directed, to grant, mortgage and convey in the manner and form herein provided; and that the Mortgaged Premises are free from all liens and encumbrances whatsoever excepting only the lien of general and special real estate taxes not yet due and payable; and the first mortgage lien, if any, identified in the Rider attached hereto and made a part hereof ("First Mortgage Lien" herein) [such Rider being attached hereto only if there is a first mortgage lien in existence on the Mortgaged Premises which has been heretofore disclosed to and approved by Mortgagee]; and that Mortgagee and Beneficiaries will defend the rights and privileges accruing to Mortgagee on account of this Mortgage forever against all lawful claims and demands whatsoever.

"Mortgage Premises." "Mortgage Premises" are hereinafter sometimes collectively referred to as the real estate, are hereinafter sometimes collectively referred to as the "Secured Party" (as defined in the Code); all of the foregoing, taken together with security interest in such property, which Mortgagee hereby grants to Mortgagee as Illinois (the "Code"), this Mortgage is hereby deemed to be a Security Agreement constitute a "fixture" [as defined in the Uniform Commercial Code of the State of aforesaid property which does not form a part of the real estate or does not form a part of the real estate and are acknowledged to be a portion of the security for the indebtedness secured hereby and covered by this Mortgage; and as to any of the machinery, equipment, apparatus, goods, systems and fixtures are or will become a part of the real estate and are acknowledged to be a portion of the security for the operation of said real estate; it being understood and agreed that all such furnishings, equipment and personal property owned by Mortgagee and used in the cabinets, partitions, conduits, ducts and compressors; and all items of furniture,

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(1) A property insurance policy written on an all-risk basis insuring the Mortgaged Premises against loss by fire, hazards included within the term "extended coverage" and such other hazards as Mortgagee may require, with an agreed amount and endorsement equal to at least 80%

A. Mortgagor and Beneficiaries will keep and maintain, at its sole cost and expense, the following insurance policies with respect to the Mortgaged Premises:

INSURANCE.

(10) business days prior to the due date for the tax. Beneficiaries give such security for the payment of real estate taxes and protection of the security of this Mortgage as the Mortgagee may require (not later than ten days of the applicable due date. Mortgagor and Beneficiaries reserve the right to contest real estate tax payments provided Mortgagor or Beneficiaries give written notice to Mortgagee of such contest and tenders to Mortgagee a receipt evidencing payment of all applicable taxes and Beneficiaries within sixty (60) days of the applicable due date. Mortgagor and Beneficiaries shall place, confirmed or made against the Mortgaged Premises, or which become upon or against the Mortgaged Premises or any portion thereof or which become placed, confirmed or made against the Mortgaged Premises, or which become assessments, general or special, and other charges levied on or assessed, Mortgagor and Beneficiaries will pay, or cause to be paid, all taxes,

PAYMENT OF TAXES.

Neither Mortgagee nor any depositary designated by Mortgagee shall be liable for any failure to make the payments of insurance premiums or Impositions unless Mortgagor or Beneficiaries, while not in default hereunder, shall have requested Mortgagee or such depositary to make application of such deposits to the payment of the particular insurance premiums or Impositions, accompanied by the bills for such insurance premiums or Impositions. Notwithstanding the foregoing Mortgagee may, at its option, make or cause the depositary to make any such application of the aforesaid deposits without any direction or request to do so by Mortgagor or Beneficiaries.

All such payments described in this paragraph 2 shall be held by Mortgagee or the depositary designated by Mortgagee, in trust, without accruing or any obligation arising for the payment of interest thereon. When the indebtedness secured hereby has been paid in full, any remaining deposits shall be refunded to Mortgagor or Beneficiaries. The deposits required to be maintained hereunder are hereby pledged as additional security for the prompt payment of the Note and any other indebtedness secured hereby and shall be applied for the purposes herein expressed and shall not be subject to the direction or control of Mortgagor or Beneficiaries.

If the funds so deposited are insufficient to pay, when due, all Impositions or premiums as aforesaid, Mortgagor and Beneficiaries will deposit, within ten (10) days after receipt of demand therefor, such additional funds as may be necessary to pay such Imposition or premiums. If the funds deposited exceed the amounts required to pay such taxes, the excess shall be applied on a subsequent deposit or deposits.

Each installment shall be in an amount which, with the payment of approximately equal installments will result in the accumulation of a sufficient sum of money to pay renewal premiums upon such policies of insurance at least thirty (30) days before the expiration date or dates of the policy or policies to be renewed.

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A. In the event of damage to or destruction of the Mortgaged Premises, in whole or in part, Mortgagee may make the proceeds received under any insurance policies available to Mortgagee and Beneficiaries for the rebuilding and restoration of the Mortgaged Premises, subject to the following conditions: (a) Mortgagee or Beneficiaries is not then in default under any of the terms, covenants and conditions of this Mortgage, the Security Agreement or the Note; (b) all then-existing leases shall

5. DAMAGE OR DESTRUCTION.

D. In the event of any loss to or damage of the Mortgaged Premises by fire or other casualty, Mortgagee or Beneficiaries shall give immediate notice thereof to Mortgagee and Mortgagee may thereupon make proof of loss or damage if the same is not promptly made by Mortgagee or Beneficiaries or the holder of the first Mortgage Lien, if any. Subject to the rights of the holder of the first Mortgage Lien, if any, all proceeds of insurance shall be payable to Mortgagee and each insurance company with which a claim is filed is authorized and directed to make payment thereof directly to Mortgagee. Provided an Event of Default has not occurred or is existing, Mortgagee or Beneficiaries shall be authorized and empowered to settle, adjust or compromise any claim for loss, damage or destruction under any policy or policies of insurance; provided, however, that if the same is not effected by Mortgagee or Beneficiaries within ninety (90) days of such loss or damage, Mortgagee may settle, adjust or compromise such claim without notice to or the consent of Mortgagee or Beneficiaries. Subject to the rights of the holder of the first Mortgage Lien, if any, all insurance proceeds shall, in the sole discretion of Mortgagee, be applied to the restoration, repair, replacement or rebuilding of the Mortgaged Premises or to and in reduction of any indebtedness secured by this Mortgage.

C. The delivery to Mortgagee of any policy or policies of insurance required to be maintained hereunder, or any renewals thereof, shall constitute an assignment for the payment of all unearned premiums thereon as further security for the payment of the indebtedness secured hereby. In the event of a foreclosure or other action or other transfer of title to the Mortgaged Premises in extinguishment of the debt secured hereby, all right, title and interest of Mortgagee and Beneficiaries in and to any policy or policies of insurance then in force will pass to the purchaser or grantee thereof subject to the rights of the holder of the first Mortgage Lien, if any.

B. All policies of insurance required hereunder shall be in forms, with companies and in amounts acceptable to Mortgagee and shall contain standard mortgages clauses attached to or incorporated therein in favor of Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days prior written notice to Mortgagee. Mortgagee and Beneficiaries will seek to have waiver of subrogation endorsements added where applicable. Mortgagee and Beneficiaries will deliver to Mortgagee the originals of all insurance policies, or certificates thereof with copies of the original policies, and all additional, renewal or replacement policies not less than thirty (30) days prior to their respective expiration dates.

(1) Comprehensive liability and property damage insurance in forms, amounts and with companies satisfactory to Mortgagee; and  
(11) Such other insurance in amounts and against such insurable risks as Mortgagee may from time to time reasonably require.

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All awards heretofore or hereafter made or to be made to Mortgagee and Beneficiaries by any governmental or other lawful authority for any taking by condemnation or eminent domain of the whole or any part of the Mortgaged Premises or any improvement located thereon or any easement therein or appurtenant thereto are hereby assigned by Mortgagee and Beneficiaries to Mortgagee, which award Mortgagee is hereby authorized to collect and receive from the condemnation authorities, and Mortgagee is hereby authorized to give appropriate receipts and acquittances therefor, and Mortgagee shall use or apply the proceeds of such award or awards in the same manner as is set forth in paragraph 5 above with respect to insurance proceeds received subsequent to a fire or other casualty affecting all or any part of the Mortgaged Premises. Mortgagee and Beneficiaries covenant and agree to give immediate notice to Mortgagee of the actual or threatened commencement of any such proceedings under condemnation or eminent domain affecting all or any part of the Mortgaged Premises.

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6. CONDEMNATION.

In the event Mortgagee elects to apply such proceeds to restoring the improvements, such proceeds shall be made available, from time to time, upon Mortgagee being furnished with satisfactory evidence of the estimated cost of such restoration and with architect's certificates, waivers of lien, contractors' sworn statements and other evidence of cost and of payments as Mortgagee may reasonably require and approve, and if the estimated cost of the work exceeds ten percent (10%) of the original principal amount of the indebtedness secured hereby, with all plans and specifications for such rebuilding or restoration as Mortgagee may reasonably require and approve. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed, from time to time, and at all times the undischarged balance of said proceeds remaining in the hands of the Mortgagee shall be at least sufficient to pay for the cost of completion of the work, free and clear of all liens.

improvements comprising the Mortgaged Premises. Mortgagee Premises not become obligated to take any action to restore the covenants and conditions contained in any leases with respect to the shall Mortgagee become personally liable for the fulfillment of the terms, any portion of the indebtedness hereby secured. Under no circumstances satisfied, the Mortgagee may use or apply the proceeds as a credit upon hereby. In the event any of the foregoing conditions are not or cannot be shall be applied as a credit upon any portion of the indebtedness secured insurance proceeds above the amount necessary to complete such restoration Mortgagee or the assured under such policies and (g) the excess of said of insurance who, at that time, claims that no liability exists as to right of subrogation shall be obtained from any insurer under such policies Mortgagee or Beneficiaries pursuant to this Mortgage; (f) waiver of the purposes may do all necessary acts, including using the funds deposited by improvements, for or on behalf of Mortgagee and Beneficiaries and for such improvements, then Mortgagee, at its option, may restore or rebuild the subject to delays beyond its control, to restore or rebuild the (e) if Mortgagee or Beneficiaries fails within a reasonable period of time, Mortgagee the amount deficient in order to restore or rebuild improvements; the improvements, Mortgagee and Beneficiaries will deposit promptly with lien, if any; (d) if such proceeds are insufficient to restore or rebuild of all liens, except as to the lien of this Mortgage and the first Mortgage by the expenditure of such proceeds will be fully restored, free and clear satisfactory proof that such improvements have been fully restored or that (except during the period of untenability); (c) Mortgagee shall be given continue in full force and effect without reduction or abatement of rental

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Mortgagee shall have the right to inquire and receive information as to the status of the Land Trust and the beneficial interest of such Trust including the right to receive, upon demand, certified copies of the Trust Agreement, assignments of beneficial interest, and other information from the Trustee as the Mortgagee may reasonably require.

9. REPORTS.

Mortgagor and Beneficiaries will promptly comply, or cause compliance with, all present and future laws, rules, ordinances, regulations and other requirements of each and every governmental authority having jurisdiction over the Mortgaged Premises with respect to the construction, rehabilitation, use or operation of the Mortgaged Premises or any portion thereof.

8. COMPLIANCE WITH LAWS.

Mortgagor and Beneficiaries grant to Mortgagee and any person authorized to act on behalf of Mortgagee the right to enter upon the Mortgaged Premises and inspect the same at all reasonable times, provided however, nothing contained herein shall be construed as an obligation on the part of Mortgagee to make such inspections.

To the extent required by Mortgagee or the holder of the First Mortgage Lien, if any, Mortgagor and Beneficiaries will promptly repair, restore, replace or rebuild any part of the Mortgaged Premises which may be damaged or destroyed by fire or other casualty or taken under power of eminent domain.

Mortgagor and Beneficiaries will keep and maintain, or cause to be kept and maintained, the Mortgaged Premises in good order, condition and repair and will make, or cause to be made, as and when necessary, all repairs, renewals and replacements, as and when necessary, structural and non-structural, exterior and interior, ordinary and extraordinary. Mortgagor and Beneficiaries will refrain from and shall not permit or suffer the commission of waste in or about the Mortgaged Premises nor remove, demolish or alter the structural character of any improvements at any time erected on the Mortgaged Premises hereinafter described in accordance with the provisions of the Construction Loan Agreement hereinafter described and otherwise upon the prior written consent of the Mortgagee. All rehabilitation to and construction performed in, on or about the Mortgaged Premises shall be in strict conformance with the provisions of paragraphs 5, 6, 8 and 9 hereof.

7. MAINTENANCE OF MORTGAGED PREMISES.

In the event Mortgagee elects to apply such award to restoring the improvements, the proceeds thereof shall be made available upon the terms and conditions set forth in subparagraph 5B above.

In the event of any damage or taking by eminent domain of less than all of the Mortgaged Premises, Mortgagee shall make available the proceeds of any award received in connection with and in compensation for any such damage or taking for the purpose of rebuilding and restoring the Mortgaged Premises, subject to the terms and conditions set forth in subparagraph 5A, above. In the event any of the foregoing conditions are not or cannot be satisfied, then Mortgagee may use or apply the award as a credit against any portion of that indebtedness hereby secured. Under no circumstances shall Mortgagee become personally liable for the fulfillment of the terms, covenants, and conditions contained in any lease with respect to the Mortgaged Premises nor become obligated to take any action to restore the improvements.

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In the event any installment or other amount due hereunder shall be delinquent and remain unpaid as of the fifteenth (15th) day of the month in which such payment is due during the period when interest alone is payable, or as of the first (1st) day of the month following the month in which such payment is due during the period when installments of principal and interest are payable, there shall be due at the option of the Mortgagee, a sum equal to five percent (5%) of the amount of such delinquency.

12. LATE CHARGE.

Any such sale, transfer, assignment, pledge, conveyance or substitute made without the Mortgagee's prior written consent shall give the Mortgagee the right, at its sole option, to accelerate the indebtedness secured by this Mortgage causing the full principal balance and accrued interest to be immediately due and payable.

Mortgagor and Beneficiaries shall not, without the prior written consent of Mortgagee first obtained, option, sale, assignment, transfer, mortgage, pledge or other law or otherwise, any or all of its interest in the Mortgaged Premises. Any disposition or encumbrance made without Mortgagee's prior written consent shall give Mortgagee the right, at its option to accelerate the indebtedness secured by this Mortgage causing the full principal balance, accrued interest and prepayment premium, if applicable, to become immediately due and payable. The beneficial interest in or the power of direction under the title holding trust of the Mortgaged Premises shall not be sold, transferred, assigned, pledged or conveyed, in whole or in part, without the prior written consent of the Mortgagee first obtained. If the owner of any portion of said beneficial interest is a partnership, the owner shall not suffer or permit any change in or substitution or withdrawal of fifty percent (50%) or greater interest in the owner without the prior written consent of the Mortgagee. If the owner of any portion of said beneficial interest is a corporation, the owner shall not suffer or permit any sale, assignment or other transfer of fifty percent (50%) or more of the stock of said owner, without the prior written consent of the Mortgagee.

11. SALES, TRANSFER, ASSIGNMENT OR ADDITIONAL ENCUMBRANCE.

The indebtedness evidenced by the Note and secured by this Mortgage is to be used for the rehabilitation of certain buildings, structures and improvements on the real estate herein described in accordance with the provisions of the Construction Loan Agreement among Mortgagor, Beneficiaries and other parties dated of even date herewith ("Construction Loan Agreement"). Mortgagor and Beneficiaries covenant that they will perform all the terms, covenants, and conditions of the Construction Loan Agreement to be kept and performed by Mortgagor and Beneficiaries. All advances and indebtedness arising and accruing under the Construction Loan Agreement from time to time shall be secured hereby to the same extent as though the Construction Loan Agreement were fully incorporated in this Mortgage. The occurrence of an event of default under the Construction Loan Agreement which is not cured within the applicable grace period, shall constitute an Event of Default under this Mortgage entitling Mortgagee to all of the rights and remedies conferred upon Mortgagee by the terms of the Note, the Security Agreement and this Mortgage. In the event of any conflict between the terms of this Mortgage, the Note or the Security Agreement and the terms of the Construction Loan Agreement (including without limitation provisions, relating to notice or waiver thereof), those of the Construction Loan Agreement shall prevail over those of the Note, the Security Agreement and this Mortgage.

10. CONSTRUCTION LOAN AGREEMENT.

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If Mortgagor or Beneficiaries shall default in the performance or observance of any term, covenant, condition or obligation required to be performed or observed by Mortgagor and Beneficiaries under this Mortgage, then, without waiting or

15. MORTGAGEE'S RIGHT TO CURE.

If any action or proceeding shall be instituted to evict Mortgagor and Beneficiaries, to recover possession of the Mortgaged Premises or any part thereof or to accomplish any other purpose which would materially affect this Mortgage or the Mortgaged Premises, Mortgagor and Beneficiaries will immediately upon service of notice thereof, deliver to Mortgagee a true copy of each petition, summons, complaint, notice of motion, order to show cause or other process, pleadings, or papers however, designated, served in any such action or proceeding.

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All property of every kind acquired by Mortgagor and Beneficiaries after the date hereof which is required or intended by the terms of this Mortgage to be subjected to the lien of this Mortgage shall, immediately upon the acquisition thereof by Mortgagor and Beneficiaries, and without any further mortgage, conveyance, assignment or transfer, become subject to the lien and security of this Mortgage. Mortgagor and Beneficiaries will do such further acts and execute, acknowledge and deliver such further conveyances, mortgages, security agreements, financing statements, and assurances as Mortgagee shall reasonably require for accomplishing the purposes of this Mortgage.

In no event shall Mortgagor and Beneficiaries do, or permit to be done, or omit to do, or permit the omission of, any act or thing, the doing of which, or omission to do which, would impair the security of this Mortgage. Mortgagor and Beneficiaries shall not initiate, join in or consent to any change in any private restriction or agreement materially changing the uses which may be made of the Mortgaged Premises or any part thereof without the prior written consent of Mortgagee first obtained.

Mortgagor and Beneficiaries will keep and maintain the Mortgaged Premises free from all liens for monies due and payable to persons furnishing labor or providing materials to the Mortgaged Premises in connection with any rehabilitation, construction, modification, repair or replacement thereof. If liens shall be filed against the Mortgaged Premises, Mortgagor and Beneficiaries agree to immediately cause the same to be discharged of record.

This Mortgage is and will be maintained as a valid mortgage lien on the Mortgaged Premises, subject only to the first Mortgage Lien, if any, and shall at all times be prior and superior to any other mortgage or trust deed (with the exception of the first Mortgage Lien, if any) securing any obligations now or hereafter becoming or falling due. Mortgagor and Beneficiaries will not, directly or indirectly, create or suffer or permit to be created, or to stand against the Mortgaged Premises, or any portion thereof, or against the rents, issues and profits therefrom, any lien, security interest, encumbrance or charge either prior or subordinate to or on a parity with the lien of this Mortgage, with the exception of the first Mortgage Lien, if any.

14. PRIORITY OF LIEN: AFTER-ACQUIRED PROPERTY.

Privilege is reserved to prepay in whole or in one or more monthly installments of principal upon thirty (30) days prior written notice to the Mortgagee without penalty, premium or charge.

13. PREPAYMENT PRIVILEGE.

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Mortgagee shall not be obligated to perform or discharge, nor does Mortgagee hereby undertake to perform or discharge, any obligation, duty or liability under any of such leases, and Mortgagee and Beneficiaries hereby agree to indemnify and hold Mortgagee harmless of and from all liability, loss or damage

As additional security for the obligations secured by this Mortgage, Mortgagee and Beneficiaries hereby transfer and assign to Mortgagee, all the rights, title and interest of Mortgagee and Beneficiaries as Lessors, in and to those certain leases identified by schedule in Exhibit C if attached hereto and made a part hereof and any renewals or extensions thereof, and all future leases made by Mortgagee and Beneficiaries with respect to the Mortgaged Premises, and all of the rents, issues, proceeds and profits therefrom; provided that Mortgagee and Beneficiaries shall have the right to collect and retain such rents so long as an Event of Default has not occurred or is existing. Notwithstanding the foregoing, the assignment of rents and leases made by Mortgagee and Beneficiaries hereunder shall be deemed a present assignment.

18. ASSIGNMENT OF RENTS AND LEASES.

Mortgagee and Beneficiaries will protect, indemnify and save harmless Mortgagee from and against all liabilities, obligations, claims, damages, penalties, cause of action, costs and expenses (including without limitation attorneys' fees and expenses), imposed upon or incurred by or asserted against Mortgagee by reason of (a) the ownership of the Mortgaged Premises or any interest therein or receipt of any rents, issues, proceeds or profits therefrom; (b) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Mortgaged Premises or any part thereof or on the adjoining sidewalks, curbs, vaults and vault space, if any, adjacent parking areas, streets or ways; (c) any use, misuse or condition in, on or about the Mortgaged Premises or any part thereof or on the adjoining sidewalks, curbs, streets or ways; (d) any failure on the part of Mortgagee and Beneficiaries to perform or comply with any of the terms of this Mortgage; or (e) performance of any labor or services or the furnishing of any materials of other property in respect of the Mortgaged Premises or any part thereof. Any amounts payable to Mortgagee by reason of the application of this paragraph shall become immediately due and payable and shall bear interest at the Default Interest Rate from the date loss or damage is sustained by Mortgagee until paid. The obligations of Mortgagee and Beneficiaries under this paragraph shall survive any termination or satisfaction of this Mortgage.

17. INDEMNIFICATION.

The "Default Interest Rate" shall mean interest at a rate equal to two (2) percentage points above the then-current interest rate under the Note.

16. DEFAULT INTEREST RATE.

Releasing Mortgagee or Beneficiaries from any of its obligations hereunder, Mortgagee shall have the right, but shall be under no obligation, to make any payment and/or perform any act or take such action as may be appropriate to cause such term, covenant, condition or obligation to be promptly performed or observed on behalf of Mortgagee and Beneficiaries. All sums expended by Mortgagee in connection therewith, including without limitation reasonable attorney's fees and expenses, shall become immediately due and payable by Mortgagee and Beneficiaries upon written demand therefor with interest at the Default Interest Rate (as hereinafter defined) from the date of advancement by Mortgagee until paid and shall be secured by this Mortgage. Mortgagee and Beneficiaries shall have the same rights and remedies in the event of nonpayment of any such sums by Mortgagee and Beneficiaries as in the case of a default by Mortgagee and Beneficiaries in the payment of the indebtedness evidenced by the Note.

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- I. If any representation or warranty made by Mortgagor or Beneficiaries in this Mortgage, or made heretofore or contemporaneously herewith by
  - H. If Mortgagor or Beneficiaries shall make a further assignment of the rents, issues or profits of the Mortgaged Premises, or any part thereof, without the prior written consent of Mortgagor; or
  - G. If Mortgagor or Beneficiaries shall file a petition for protection from creditors under any of the provisions of the Federal Bankruptcy Code or State Insolvency Laws or any creditor of Mortgagor or Beneficiaries shall file an involuntary petition against Mortgagor or Beneficiaries under any of the provisions of the Federal Bankruptcy Code or State Insolvency Laws which is not dismissed within sixty (60) days after the filing of such involuntary petition; or
  - F. If an event of default shall have occurred under a loan agreement or other undertakings by Beneficiaries or Mortgagor, and such event of default results in the acceleration of the maturity of any indebtedness of Beneficiaries or Mortgagor to a third party; or
  - E. If an Event of Default (as therein defined) shall have occurred under the note or the mortgage evidencing and securing, respectively, the first Mortgage then, if any, and such event of default remaining uncured upon the lapse of the appropriate grace period, if any, provided therein; or
  - D. If an Event of Default (as therein defined) shall have occurred under the Construction Loan Agreement; or
  - C. If an Event of Default (as therein defined) shall have occurred under the Security Agreement; or
  - B. If an Event of Default (as therein defined) shall have occurred under the Note; or
  - A. If a default shall occur in the performance or observance of any covenant, term, provision or condition of this Mortgage to be performed or observed by Mortgagor or Beneficiaries which default shall remain uncured after a date specified by Mortgagor in written notice to Mortgagor and Beneficiaries declaring such default but in no event shall such date be less than thirty (30) days from the effective date of such notice; or
19. EVENTS OF DEFAULT.
- Upon the occurrence or existence of an Event of Default, Mortgagor, or any authorized agent of Mortgagor or any judicially-appointed receiver, shall be entitled to enter upon, take possession of and manage the Mortgaged Premises and collect the rents therefrom including any rents past due. All rents collected by any of the foregoing parties shall be applied first to payment of the costs of management of the Mortgaged Premises and collection of rents, including without limitation receiver's fees, premiums or bonds and reasonable attorney's fees and expenses, and then to the sums secured by this Mortgage. Any such party shall be liable to account only for the rents actually received.
- which it may incur under said leases or under or by reason of the assignment thereof and all claims and demands whatsoever which may be asserted against Mortgagor. Should Mortgagor incur any liability, loss or damage under said leases or under or by reason of the assignment thereof, including claims or demands made in connection therewith, the amount thereof, including attorney's fees and expenses, shall be secured hereby, and shall become immediately due and payable upon demand with interest at the Default Interest Rate from the date of advancement by Mortgagor until paid.

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- 3. If rehabilitation of and construction on the Mortgaged Premises is delayed for any reason and in the judgment of Mortgagee there is reasonable doubt as to the ability of Mortgagor and Beneficiaries to complete construction on or before the completion date specified in the Construction Loan Agreement ("Completion Date"); or
- J. If construction is abandoned or is not completed on or before Completion Date; or
- L. If Mortgagee shall disapprove, at any time, any construction work on the Mortgaged Premises and the failure of Mortgagor and Beneficiaries to commence to correct such work to the satisfaction of Mortgagee within fifteen (15) days after written notice of such disapproval is given to Mortgagee; or Beneficiaries; or
- M. If, after delivery of a draw request, Mortgagor and Beneficiaries is unable to satisfy any condition of its right to the receipt of the advance requested pursuant thereto within the period of thirty (30) days after delivery thereof; or
- N. If a lien for the performance of work or the supplying of materials is filed against the Mortgaged Premises and is not promptly discharged by Mortgagor or Beneficiaries; or
- O. If the Mortgaged Premises becomes subject to any lien not previously approved by Mortgagee, or any action by any holder of a junior lien, whether approved by Mortgagee or not, to take possession, to collect rents, Beneficiaries or to otherwise enforce rights against Mortgagor and Beneficiaries or the Mortgaged Premises; or
- P. If the general contractor or the major subcontractor(s) identified in the Construction Loan Agreement become bankrupt or insolvent and Mortgagor and Beneficiaries fails to procure a new general contractor or subcontract with a new contractor or subcontractor satisfactory to Mortgagee within forty-five (45) days from the occurrence of such bankruptcy or insolvency; or
- Q. If, at any time during the term of the Note, the loan associated with this Mortgage becomes out of balance and, within fourteen (14) days after notice thereof, Mortgagor and Beneficiaries have not deposited with Mortgagee the amount by which the loan is out of balance. For purposes hereof, the loan shall be deemed out of balance if the amount necessary to complete the rehabilitation of and construction on the Mortgaged Premises as determined by the Mortgagee exceeds the amount available from the balance of the loan proceeds; or
- R. If all or any part of the Mortgaged Premises or any interest therein is sold, transferred, pledged or conveyed or becomes subject to a contract or option for sale or if the beneficial interest in or power of direction under the title holding trust of the Mortgaged Premises is sold, transferred, assigned, pledged, or conveyed, in whole or in part (including without limitation a collateral assignment thereof to any person other than Mortgagee), or if the owner of said beneficial interest is a partnership, any change in, or substitution or withdrawal of fifty percent (50%) or greater interest in the owner, or if the owner is a corporation, any sale, assignment, pledge or other transfer of fifty percent (50%) or more of the stock of said owner, then, in any such event, at the option of the

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Enter upon and take possession of the Mortgaged Premises or any part thereof by force, summary proceedings, ejectment or otherwise, and remove Mortgagor and all other persons and property therefrom, and take actual possession of the Mortgaged Premises, or any part thereof, personally or by its or their respective agents or attorneys, together with all documents, books, records, papers and accounts of Mortgagor and Beneficiaries and may exclude Mortgagor and Beneficiaries, their respective agents or servants wholly therefrom and may, as attorney in fact and agent of Mortgagor and Beneficiaries, or in its or their own name and under the powers herein granted: (i) hold, operate, manage, and control the Mortgaged Premises and conduct the business thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns, may be deemed proper or necessary to enforce the payment or security of the avals, rents, issues, and profits of the Mortgaged Premises, including actions for recovery of rents, actions in forcible detainer, and actions in distress for rent, hereby granting full power and authority to exercise each and every right, privilege, and power herein granted at any and all times hereafter, without notice to Mortgagor or Beneficiaries; (ii) cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor or Beneficiaries to cancel the same; (iii) elect to disaffirm any lease or sublease made subsequent to this Mortgage or subordinate to the lien hereof; (iv) extend or modify any then existing leases and make new leases, 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 hereunder and the issuance of a deed or deeds to a purchaser at a foreclosure sale, it being understood and agreed that any such leases, and

Upon the occurrence or existence of an Event of Default, Mortgagor may at any time thereafter, at its election and to the extent permitted by law: A. Proceed at law or in equity to foreclose the lien of this Mortgage as against all or any part of the Mortgaged Premises and to have the same sold under the judgment or decree of a court of competent jurisdiction. B. Advertise the Mortgaged Premises or any part thereof for sale and thereafter sell, assign, transfer and deliver the whole, or from time to time any part of the Mortgaged Premises, or any interest therein, at private sale or public auction, with or without demand upon Mortgagor, for cash, on credit or in exchange for other property, for immediate or future delivery, and for such price on such other terms as Mortgagor may, in its discretion, deem appropriate or as may be required by law. The exercise of this power of sale by Mortgagor shall be in accordance with the provisions of any statute of the state in which the Mortgaged Premises are located, now or thereafter in effect, which authorizes the foreclosure of a mortgage by power of sale or any statute expressly amending the foregoing;

20. RIGHTS, POWERS AND REMEDIES OF MORTGAGEE.

Mortgagee, the entire unpaid balance due on the Note and all accrued and unpaid interest thereon, and any other sums secured hereby shall become due and payable and thereafter each of said amounts shall bear interest at the Default Interest Rate. All costs and expenses incurred by, or on behalf of, Mortgagee (including without limitation reasonable attorney's fees and expenses) occasioned by any Event of Default by Mortgagor or Beneficiaries hereunder shall become immediately due and payable and shall bear interest at the Default Interest Rate from the date of advancement until paid. After the occurrence or existence of an Event of Default, Mortgagee may institute, or cause to be instituted, proceedings for the realization of its rights under this Mortgage, the Note or the Security Agreement.

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Mortgagor and Beneficiaries hereby waive, to the extent permitted by law, the benefit of all appraisement, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Mortgaged Premises or any part thereof or any interest therein. Further, Mortgagor and Beneficiaries hereby expressly waive any and all rights of redemption from sale under any order or decrees of foreclosure of this Mortgage on behalf of Mortgagor

Mortgagor and Beneficiaries agree that Mortgagor may be a purchaser of the Mortgaged Premises or any part thereof or any interest therein at any sale, whether pursuant to foreclosure, power of sale or otherwise, and may apply upon the purchase price the indebtedness secured hereby. Any purchaser at a sale of the Mortgaged Premises shall acquire good title to the property so purchased, free of the lien of this Mortgage and free of all rights of redemption in Mortgagor and Beneficiaries. The receipt of the officer making the sale under judicial proceedings or of Mortgagor shall be sufficient discharge to the purchaser for the purchase money and such purchaser shall not be responsible for the proper application thereof.

Mortgagor and Beneficiaries agree that Mortgagor may be a purchaser of the Mortgaged Premises or any part thereof or any interest therein at any sale, whether pursuant to foreclosure, power of sale or otherwise, and may apply upon the purchase price the indebtedness secured hereby. Any purchaser at a sale of the Mortgaged Premises shall acquire good title to the property so purchased, free of the lien of this Mortgage and free of all rights of redemption in Mortgagor and Beneficiaries. The receipt of the officer making the sale under judicial proceedings or of Mortgagor shall be sufficient discharge to the purchaser for the purchase money and such purchaser shall not be responsible for the proper application thereof.

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Mortgagor and Beneficiaries agree that Mortgagor may be a purchaser of the Mortgaged Premises or any part thereof or any interest therein at any sale, whether pursuant to foreclosure, power of sale or otherwise, and may apply upon the purchase price the indebtedness secured hereby. Any purchaser at a sale of the Mortgaged Premises shall acquire good title to the property so purchased, free of the lien of this Mortgage and free of all rights of redemption in Mortgagor and Beneficiaries. The receipt of the officer making the sale under judicial proceedings or of Mortgagor shall be sufficient discharge to the purchaser for the purchase money and such purchaser shall not be responsible for the proper application thereof.

D.

Make application for the appointment of a receiver for the Mortgaged Premises, whether such receivership be incident to a proposed sale of the Mortgaged Premises or otherwise, and Mortgagor and Beneficiaries hereby consent to the appointment of a receiver and agrees not to oppose any such appointment and, further, agrees that Mortgagor may be appointed the receiver of the Mortgaged Premises. Each receiver shall have the power to take possession and maintain control over the Mortgaged Premises and to collect the rents, issues and profits during the pendency of a foreclosure suit, as well as during any further times when Mortgagor and Beneficiaries except for the intervention of such receiver, would be entitled to collect such rents, issues, and profits and all other powers which may be necessary or are useful for the protection, possession, control, management, and operation of the Mortgaged Premises during the whole of said period. To the extent permitted by law, any receiver may be authorized by the court to extend or modify any then-existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire beyond that maturity date of the indebtedness secured hereunder, it being understood and agreed that any such leases and the options or other provisions contained therein shall be binding upon Mortgagor and Beneficiaries and all persons whose interests in the Mortgaged Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any discharge of the mortgage or purchase of the mortgage indebtedness, satisfaction of any foreclosure decree or issuance of any certificate of sale or deed to any purchaser; (v) make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Premises as Mortgagor may deem judicious, to insure and reinsure the Mortgaged Premises and all risks incidental to Mortgagor's possession, operation and management thereof and to receive all avals, rents, issues, and profits. Mortgagor shall not be under any liability for or by reason of such entry, taking of possession, removal, holding, operation or management, except that any amounts so received shall be applied as hereinafter provided in this paragraph; and

the options of other such provisions contained therein, shall be binding upon Mortgagor and Beneficiaries and all persons whose interest in the Mortgaged Premises are subject to the lien hereof and also upon the purchaser or purchasers at any foreclosure sale, notwithstanding any discharge of the mortgage indebtedness, satisfaction of any foreclosure decree or issuance of any certificate of sale or deed to any purchaser; (v) make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Premises as Mortgagor may deem judicious, to insure and reinsure the Mortgaged Premises and all risks incidental to Mortgagor's possession, operation and management thereof and to receive all avals, rents, issues, and profits. Mortgagor shall not be under any liability for or by reason of such entry, taking of possession, removal, holding, operation or management, except that any amounts so received shall be applied as hereinafter provided in this paragraph; and

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and Beneficiaries, the trust estate and all persons beneficially interested therein and each and every person acquiring any interest in or title to the Mortgaged Premises subsequent to the date of this Mortgage and on behalf of all persons to the extent permitted by the provisions of Chapter 110, Section 112-125, of the Illinois Revised Statutes, or any statute enacted in substitution thereof.

The proceeds of any sale of the Mortgaged Premises or any part thereof or interest therein, whether pursuant to foreclosure or power of sale or otherwise, and all amounts received by Mortgagee by reason or any possession, operation or management of the Mortgaged Premises or any part thereof, together with any other sums at the time held by Mortgagee, shall be applied, subject to the rights of the holder of the First Mortgage Lien, if any, in the following order:

- First: To all costs and expenses of the sale of the Mortgaged Premises or any part thereof or any interest therein, or entering upon, taking possession of, removal from, holding, operating and managing the Mortgaged Premises or any part thereof, together with (a) the costs and expenses of any receiver of the Mortgaged Premises or any part thereof, appointed pursuant hereto; (b) the reasonable fees and expenses of attorneys, accountants and other professionals employed by Mortgagee or those engaged by any receiver; and (c) any indebtedness, taxes, assessments or other charges prior to the lien of this Mortgage, which Mortgagee may consider necessary or desirable to pay;
- Second: To any indebtedness secured by this Mortgage at the time due and payable, other than the indebtedness with respect to the Note at the time outstanding;
- Third: To all amounts of principal and interest due and payable on the Note at the time of receipt of proceeds (whether at maturity or on a date fixed for any installment payment or by declaration of acceleration or otherwise), including interest at the Default Interest Rate on any overdue principal and (to the extent permitted under applicable law) on any overdue interest, and in case such sums shall be insufficient to pay in full the amount so due and unpaid upon the Note, then, first, to the payment of all amounts of interest at the time due and payable and, second, to the payment of all amounts of principal;
- Fourth: The balance, if any, to the person or entity then entitled thereto pursuant to applicable state law.
- E. Enter upon the Mortgaged Premises and (i) complete, or cause to be completed, the rehabilitation of and construction on the improvements situated thereon in accordance with plans heretofore approved by or on behalf of the Mortgagee and employ all necessary personnel, at the risk, cost and expense of Mortgagor and Beneficiaries; (ii) discontinue any work commenced with respect to rehabilitation of and construction on the improvements or change any course of action previously undertaken and not be bound by any limitations or requirements of time; (iii) assume any construction contract made by Mortgagor or Beneficiaries in any way relating to the rehabilitation of the improvements and take over and use all, or any part of the labor, materials, supplies and equipment contracted for by Mortgagor or Beneficiaries, whether or not previously incorporated into the improvements; and (iv) in connection with any rehabilitation or

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construction of the improvements undertaken by Mortgagee pursuant to the provisions of this subparagraph, engage builders, contractors, architects, and engineers and others for the purpose of completing the rehabilitation or construction of the improvements, pay, settle, or compromise all bills or claims which may become liens against the Mortgaged Premises or which have been or may be incurred in any manner in connection with completing the rehabilitation or construction of the improvements, and take or refrain from taking any action hereunder as Mortgagee may from time to time deem necessary. Mortgagor and Beneficiaries shall be liable to Mortgagee for all sums paid or incurred to complete the improvements whether the same shall be paid or incurred pursuant to the terms of this subparagraph or otherwise and all payments made or liabilities incurred by Mortgagee hereunder of any kind whatsoever shall be paid by Mortgagor and Beneficiaries to Mortgagee, upon demand, with interest at the Default Interest Rate from date of advancement by Mortgagee until paid, and all such payments shall be additional indebtedness secured by this Mortgage.

- F. Apply any monies or securities on deposit with Mortgagee or any depository designated by Mortgagee as required to be maintained under this Mortgage to the obligations of Mortgagor or Beneficiaries under the Note, the Security Agreement or this Mortgage in such order and manner as Mortgagee may elect.

## 21. FEES AND EXPENSES.

If Mortgagee shall incur or expend any sums, including without limitation reasonable attorney's fees and expenses, whether or not in connection with any action or proceeding, in order to sustain the lien of this Mortgage or its priority, or to protect or enforce any of Mortgagee's rights hereunder, or to recover any indebtedness secured hereby, all such sums shall become immediately due and payable by Mortgagor and Beneficiaries with interest at the Default Interest Rate. All such sums shall be secured by this Mortgage and be a lien on the Mortgaged Premises prior to any right, title, interest or claim in, to or upon the Mortgaged Premises attaching or accruing subsequent to the lien of this Mortgage. Without limiting the generality of the foregoing, in any suit to foreclose the lien hereof there shall be allowed and included as additional indebtedness secured hereby in the decrees for sale all costs and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorney's fees, appraiser's fees, receiver's costs and expenses, insurance, taxes, outlays for documentary and expert evidence, costs for preservation of the Mortgaged Premises, stenographer's charges, searches and examinations, guarantee policies and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or evidence to bidders at any sale which may be had pursuant to such decrees the true condition of the title to or value of the Mortgaged Premises or for any other reasonably necessary purpose. The amount of any such costs and expenses which may be paid or incurred after the decree for sale is entered may be estimated and the amount of such estimate may be allowed and included as additional indebtedness secured hereby in the decree for sale.

## 22. EXERCISE OF RIGHTS BY MORTGAGEE.

In the event that Mortgagee (a) grants any extension of time or forbearance with respect to the payment for any indebtedness secured by this Mortgage; (b) takes other or additional security for the payment thereof; (c) waives or fails to exercise any right granted herein, under the Security Agreement or under the Note; (d) grants any release, with or without consideration of the whole or any part of the security held for the payment of the indebtedness secured hereby; (e) amends or modifies in any respect with the consent of either Mortgagor or Beneficiaries any of the terms and provisions hereof or of the Note or the Security Agreement, then, and in any such events, such act or omission to act shall not release Mortgagor or Beneficiaries under any covenant of this Mortgage, the Note or the Security Agreement, nor preclude Mortgagee from

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#### 34. SEVERABILITY.

Every provision hereof is intended to be severable. If any provision of this Mortgage is determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the other provisions hereof, which shall remain binding and enforceable.

#### 35. DEFEASANCE.

If Mortgagor and Beneficiaries shall pay the principal and interest due under the Note in accordance with the terms thereof, and if it shall pay all other sums payable under this Mortgage and the Security Agreement, then this Mortgage and the estate and rights hereby created shall cease, terminate and become void, and thereupon Mortgagee, upon the written request and at the expense of Mortgagor and Beneficiaries, shall execute and deliver to Mortgagor and Beneficiaries such instruments as shall be required to evidence of record the satisfaction of this Mortgage and the lien thereof.

#### 36. HAZARDOUS SUBSTANCES.

To the best of Mortgagor's knowledge upon diligent investigation the Mortgaged Premises and the use and operation thereof are currently in compliance and will remain in compliance with all applicable environmental, health and safety laws, rules and regulations. There are, to the best of Mortgagor's knowledge, upon diligent investigation, no environmental, health or safety hazards. To the best of Mortgagor's knowledge upon diligent investigation the Mortgaged Premises have never been used for a sanitary land fill, dump or for the disposal, generation or storage of any Hazardous Substances deposited or located in, under or upon the Mortgaged Premises, or any parcels adjacent thereto, or on or affecting any part of the Mortgaged Premises or the business or operations conducted thereon, including, without limitation, with respect to the disposal of Hazardous Substances. To the best of Mortgagor's knowledge upon diligent investigation, no underground storage tanks are or have been located on the Mortgaged Premises. To the best of Mortgagor's knowledge upon diligent investigation: (a) no portion of the Mortgaged Premises is presently contaminated by any Hazardous Substances and (b) no storage, treatment or disposal of any Hazardous Substance has occurred on or in the Mortgaged Premises. Mortgagor has not received written notice of, and to the best of Mortgagor's knowledge after diligent inquiry, there are no pending or threatened actions or proceedings (or notices of potential actions or proceedings) from any governmental agency or any other entity regarding the condition or use of the Mortgaged Premises or regarding any environmental, health or safety law. Neither the Mortgagor or any partner of Mortgagor has received any notice of any Hazardous Substance in, under or upon the Mortgaged Premises or of any violation of any environmental protection laws or regulations with respect to the Mortgaged Premises or has any knowledge which would provide a basis for any such violation with respect to the Mortgaged Premises. Mortgagor will promptly notify Mortgagee of any notices and Premises. Mortgagor will promptly notify Mortgagee of any notices and any pending or threatened action or proceeding in the future, and Mortgagor will promptly cure and have dismissed with prejudice any such actions and proceedings to the satisfaction of Mortgagee.

Mortgagor covenants and agrees that, throughout the term of the Loan, no Hazardous Substances will be used by any person for any purpose upon the Mortgaged Premises or stored thereon in violation of applicable statute, rule or regulation. Mortgagor hereby indemnifies and holds Mortgagee harmless of and from all loss, cost (including reasonable attorney's fees), liability and damage whatsoever incurred by Mortgagee by reason of any violation of any applicable statute or regulation for the protection of the environment which occurs subsequent to the date of this Mortgage upon the Mortgaged Premises, or by reason of the imposition of any governmental lien for the recovery of

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environmental cleanup costs expended by reason of such violation. Mortgagor's obligation to Mortgagee under the foregoing indemnity shall be without regard to fault on the part of Mortgagor with respect to the violation of law which results in liability to mortgagee. The release of this Mortgage shall in no event terminate or otherwise affect the indemnity contained in this paragraph.

Hazardous Substances is defined herein as any toxic or hazardous wastes, pollutants, or substances, including, without limitation, asbestos, PCBs, petroleum products and by-products, substances defined as "hazardous substances" or "toxic substances" or similarly identified in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sec. 9601, et. seq., Hazardous Materials Transportation Act, 49 U.S.C. Sec. 1802, et. seq., the Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901, et. seq., The Toxic Substance Control Act of 1976, as amended, 15 U.S.C. Sec. 2601, et. seq., Clean Water Act, 42 U.S.C. Sec. 7401, et. seq., or in any other applicable federal state or local Environmental Laws.

This Mortgage is executed by FIRST NATIONAL BANK OF EVERGREEN PARK, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee. No personal liability shall be asserted or enforceable against the Trustee in respect to this Mortgage, all such liability, if any, being expressly waived by each taker and holder of the Note secured hereby. Nothing herein contained shall modify or discharge the personal liability expressly assumed by any co-maker or guarantor of the obligations hereby secured. Each original and successive holder of the Note accepts the same upon the express condition that no duty shall rest upon the Trustee to sequester the rents, issues and profits arising from the Mortgaged Premises, or the proceeds arising from the sale or other disposition thereof, but in case of default in the payment of this Note or under any of the terms and provisions of this Mortgage, the sole remedy of Mortgagee with respect to Mortgagor and Beneficiaries shall be by foreclosure of this Mortgage.

The provisions of the Mortgage Loan Rider attached hereto is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, Mortgagor and Beneficiaries have executed this Mortgage as of the day and year first above written.

FIRST NATIONAL BANK OF EVERGREEN PARK  
and not personally but solely as Trustee as aforesaid

BY:

ITS:

[Signature]  
SR. VICE PRESIDENT & TRUST OFFICER

ATTEST:

[Signature]  
ASST. TRUST OFFICER

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**THIS INSTRUMENT PREPARED BY:**  
James B. Packard, Assistant Program Manager  
Community Investment Corporation  
600 South Federal Street, Chicago, IL 60605

COOK COUNTY, ILLINOIS  
FILED FOR RECORD

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STATE OF ILLINOIS )  
COUNTY OF COOK ) SS

[TRUSTEE]

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that:

Joseph C. Fanelli (name) Senior Vice President + Trust Ofc (title)

AND

Nancy Rodighiero (name) Assistant Trust Officer (title)

of FIRST NATIONAL BANK OF EVERGREEN PARK

are personally known to me to be the same person whose names are subscribed to the foregoing instrument as such Senior Vice Pres - Tr. Ofc (title) and Asst. Trust Ofc SECRETARY, (title), respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of said

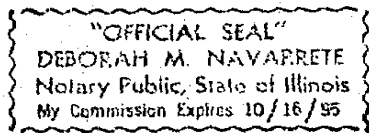
FIRST NATIONAL BANK OF EVERGREEN PARK

as Trustee, for the uses and purposes therein set forth; and said Asst. Trust Ofc

SECRETARY did also then and there acknowledge that he/she, as custodian of the corporate seal of FIRST NATIONAL BANK OF EVERGREEN PARK

did affix the said corporate seal of said national banking association to said instrument as his own free and voluntary act and the free and voluntary act of said national banking association, as Trustee, for the uses and purposes therein set forth.

Given under my hand and official seal, this 30th day of December, 1992



Deborah M. Navarrete  
NOTARY PUBLIC

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Commission Expires:

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Joseph F. Farrell

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11/11/10

### ADJUSTABLE RATE CONSTRUCTION LOAN NOTE [NONRECOURSE]

\$ 720,000.00

DECEMBER 21, 1992

FOR VALUE RECEIVED, FIRST NATIONAL BANK OF EVERGREEN PARK, not personally but as Trustee under Trust Agreement dated OCTOBER 2, 1991, and known as Trust Number 12036 (hereinafter collectively, together with any assignee or transferee of the estate of the foregoing trust, referred to as "Borrower"), jointly and severally promise to pay to COMMUNITY INVESTMENT CORPORATION, (CIC) on Order ("Lender") at its offices located at 600 South Federal Street, Chicago, IL 60605 or at such other place or to such other party or parties as Lender may from time to time designate, the principal sum of SEVEN HUNDRED TWENTY THOUSAND AND NO/100--- Dollars (\$ 720,000.00), or so much thereof as shall have been advanced, with interest on the principal sum remaining from time to time unpaid, at the initial rate of SEVEN AND ONE HALF PERCENT (7.50%) per annum (the "Initial Rate"), and subject to adjustment, and payable, in the manner hereinafter provided.

Each advance of principal shall be made in accordance with and pursuant to the terms of the Mortgage and Construction Loan Agreement (as hereinafter defined) and used exclusively for the acquisition or refinance and rehabilitation of the real estate described in the Mortgage given as security for this Note.

Interest only, on advances of principal made from time to time, shall be payable on the first day of FEBRUARY, 1993, for interest accruing in the preceding month and on the first day of each month thereafter to the first day of the month in which payments to principal and interest commence.

Installments of principal and interest, in advance, in the amount of \$ 5,320.74, based upon a level annuity amortization of 25 YEARS, at the Initial Rate subject to adjustment as herein provided, shall be payable on the twentieth (20th) day of FEBRUARY, 1993, and on the twentieth (20th) day of each month thereafter until the entire principal sum is repaid in full. In any event, the balance of principal together with accrued interest thereon shall be due and payable on JANUARY 1, 2008 ("Maturity Date").

The interest rate during the period when interest alone is payable shall be subject to monthly adjustments and shall be determined as of the fifteenth day of each month to be the higher of the following: The First National Bank of Chicago's Base Rate (as herein defined) in effect on the fifteenth day of each month plus N/A percent rate of interest or the Initial Rate.

The First National Bank of Chicago's Base Rate shall mean the Corporate Base Rate announced by the Bank from time to time.

The interest rate during the period that installments of principal and interest are payable is subject to adjustment at three-year intervals on the third, sixth, ninth, twelfth, fifteenth, and eighteenth (where applicable) anniversaries of the first day of the month in which the commitment on this loan was accepted. THE ANNIVERSARY DATE FOR THIS LOAN IS AUGUST 1, 1995. The interest rate shall be the Index rate of interest plus 2 1/2% PERCENT based upon the latest available Index as of 45 days prior to the anniversary date. The Yield on three-year U.S. Treasury Notes as calculated and published monthly by the Board of Governors of the Federal Reserve as Federal Reserve Board Publication G-13 shall constitute "The Index" herein.

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In the event the Federal Reserve Board of Governors shall discontinue the publication of the "Index," adjustments shall be based on an alternative interest rate index published by another agency of the United States or a responsible publisher of similar statistical information of nationally recognized authority. Adjustments to the interest rate shall correspond directly to the movement of the Index.

Adjustments in payments to principal and interest will be based on a level annuity monthly payment determined on the basis of the then current interest and the initial level annuity amortization term of 25 YEARS; and, if applicable, adjustments will commence on the twentieth day of the month immediately following the third, sixth, ninth, twelfth, fifteenth, and eighteenth (where applicable) anniversaries of the date hereof. Lender shall notify Borrower, in writing, not less than thirty (30) days prior to any date upon which a new interest rate is to go into effect, of the amount of the adjusted annuity payment then applicable.

All interest rate adjustments will be in multiples of one-eighth of one percent (.125%). The Index change must equal or exceed fifty percent (50%) of one-eighth of one percent (.0625%) before an increase or decrease in the interest rate can take place. The minimum interest rate increase or decrease will be rounded to one-eighth of one percent (.125%). Subject to the limitations set forth herein, all interest rate increases shall be at Lender's option. Subject to the limitations set forth herein, all interest rate decreases shall be mandatory. Notwithstanding anything to the contrary herein, no interest rate adjustment shall exceed two percent (2%) per annum increase or decrease per adjustment, and the maximum amount by which the interest rate may increase or decrease during the term of this Note shall not exceed five percent (5%) per annum.

This Note is secured by a Mortgage ("Mortgage") on the real estate described therein which is situated in the City of Harvey, County of Cook and State of Illinois (the "Mortgaged Premises"), and further secured by a Security Agreement and Assignment of Interest in Land Trust ("Security Agreement") covering the collateral described therein both of even date herewith. All of the covenants, conditions and agreements contained in the Mortgage and the Security Agreement are incorporated by reference herein and made a part hereof. Any amounts required to be paid by Borrower under the terms of the Mortgage or the Security Agreement shall become additional principal indebtedness hereunder to the extent such amounts are not paid in accordance with the Mortgage or Security Agreement and shall be payable on demand and shall bear interest hereunder.

In case one or more of the following events ("Events of Default") shall occur, to wit:

- A. If default shall be made in payment of any installment of interest or principal and interest due under this Note when the same or any part thereof shall become due and payable, and if such default remains uncured; or
- B. If an Event of Default (as therein defined) shall have occurred pursuant to any provision of the Mortgage or the Security Agreement; or
- C. If an Event of Default shall have occurred under the Note or Mortgage described in the Rider attached and made a part of the Mortgage, and such event of default remains uncured upon the lapse of the appropriate grace period, if any, provided therein; or
- D. If all or any part of the Mortgaged Premises or any interest therein is sold, transferred, pledged or conveyed or becomes subject to a contract or option for the sale, transfer, pledge or conveyance, or if the beneficial interest in or power of direction under the title holding trust of the Mortgaged Premises is sold, transferred, assigned, pledged or conveyed in whole or in part (including without limitation, a collateral assignment thereof to any person other than the Lender) or if the owner of said

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Exhibit A

beneficial interest is a partnership, any change in or substitution or withdrawal of fifty percent (50%) or greater interest in the owner, or if the owner is a corporation, any sale, assignment, pledge or other transfer of fifty percent (50%) or more of the stock of said owner;

then, in any of such events, Lender, at its option, may declare the whole or the principal sum remaining unpaid and all accrued interest thereon immediately due and payable. Without limiting the foregoing right or any other rights and remedies of Lender at law or in equity, Lender shall have all rights and remedies provided for in the Mortgage and the Security Agreement and may enforce the covenants, agreements, and undertakings of any obligor contained therein by the exercise of the remedies available or authorized thereunder.

In the event any installment or other amount due under this Note or the Mortgage shall be delinquent and remain unpaid as of the fifteenth (15th) day of the month in which such payment is due for interest alone, or as of the first (1st) day of the month following the month in which such payment is due for installments of principal and interest, there shall be due at the option of the Lender, a sum equal to five percent (5%) of the amount of the delinquency.

Privilege is reserved to prepay in whole or in one or more monthly installments of principal upon thirty (30) days prior written notice to the Lender without penalty, premium, or charge.

In addition to, but not in derogation of, the foregoing, in the event any amount payable hereunder shall remain unpaid after its due date, said amount shall bear interest thereafter until paid at a rate equal to two (2%) percentage points above the then-current interest rate under this Note.

If Lender incurs any fees or expenses in enforcing the terms of this Note, or to protect, defend or uphold the lien of the Mortgage or its rights under the Security Agreement, as a result of the occurrence or existence of an Event of Default as defined herein or in the Mortgage or the Security Agreement, all sums paid by Lender for such fees and expenses, including without limitation, reasonable attorney's fees, shall be paid by Borrower immediately upon written demand therefor, and, if not paid, shall thereafter bear interest at a rate equal to two (2%) percentage points above the then-current interest rate under this Note and shall become additional indebtedness evidenced by this Note.

Except As Provided By Illinois Statutory Authority, presentment for payment, notices of dishonor, protest, and notice of protest are hereby waived by each maker hereof and the undersigned jointly and severally agree to perform and comply with each of the covenants, conditions, provisions and agreements of each of the undersigned contained in every instrument evidencing or securing the indebtedness.

Lender may extend the time of payment or otherwise modify the terms of payment of the debt evidenced by this Note in whole or in part, or release any party liable hereunder or under the Mortgage or the Security Agreement, or any security, or grant any other indulgence or forbearance whatsoever, and any such extension, modification, release, indulgence or forbearance may be made without notice to any party and shall not alter or diminish the liability of any party. Borrower reserves to the Lender the right at Lender's sole discretion to extend the date for commencement of installments to principal and interest which extensions may affect the interest payable hereunder.

Any notice given pursuant to the terms of this Note shall be in writing and shall be sent by first class mail, addressed to the Borrower at the Address set forth below or to Lender at the address that appears hereon, or to such other address as either party shall have theretofore designated in writing to the other. All notices shall be effective upon mailing.

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The terms of this Note shall be governed by laws of the State of Illinois.

Every provision hereof is intended to be severable. If any provision of this Note is determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the other provisions hereof, which shall remain binding and enforceable.

This Note is executed by FIRST NATIONAL BANK OF EVERGREEN PARK, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee. No personal liability shall be asserted or enforceable against the Trustee in respect to this Note or the making, issue or transfer hereof, all such liability, if any, being expressly waived by each taker and holder hereof. Nothing herein contained shall modify or discharge the personal liability expressly assumed by any comaker or guarantor of the obligations hereby secured. Each original and successive holder of this Note accepts the same upon the express condition that no duty shall rest upon the Trustee to sequester the rents, issues and profits arising from the Mortgaged Premises, or the proceeds arising from the sale or other disposition thereof, but that in case of default in the payment of this Note or of any installment hereof, the sole remedy of Lender with respect to the Trustee shall be by foreclosure of the Mortgage.

The provisions of the Mortgage Loan Rider attached hereto is incorporated herein and made a part hereof.

FIRST NATIONAL BANK OF EVERGREEN PARK  
as trustee as aforesaid and not personally

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

ATTEST: \_\_\_\_\_

15144 DIXIE HIGHWAY / 15141 & 15145 TERRACE DRIVE, HARVEY, ILLINOIS 60426  
PROPERTY ADDRESS

NOTICES TO:

111 CD DEVELOPMENT  
ATTENTION: ARNOLD S. GILES  
524 EAST 80th STREET  
CHICAGO, ILLINOIS 60619

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10/1/09

MORTGAGE LOAN RIDER

NOTWITHSTANDING the provisions, covenants and conditions contained in the Loan Documents pertaining to "Events of Default," the entering into of the Amendment and Restatement of Articles of Partnership of III CD DEVELOPMENT LIMITED PARTNERSHIP between the general partners thereof, whose signatures are listed below, and HOUSING XVII LIMITED PARTNERSHIP shall not be considered an Event of Default under the terms of this Mortgage; however any change in or substitution or withdrawal or removal of a General Partner, either voluntarily or otherwise, shall be considered an Event of Default hereunder.

III CD DEVELOPMENT LIMITED PARTNERSHIP

BY: ARNOLD S. GILES, GENERAL PARTNER

BY: WILLIE L. CRATTEN, GENERAL PARTNER

BY: CARLTON W. KNIGHT, GENERAL PARTNER

COMMUNITY INVESTMENT CORPORATION

BY: JOHN PRITSCHER, PRESIDENT

FIRST NATIONAL BANK OF EVERGREEN PARK  
as Trustee and not personally

BY: \_\_\_\_\_

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10/10/18

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## EXHIBIT B

### LEGAL DESCRIPTION

THE EASTERLY 278 FEET, LYING WEST OF THE WEST LINE OF DIXIE HIGHWAY OF THAT PART OF LOT 3 (EXCEPTING THE NORTH 30 FEET THEREOF) LYING NORTH OF 152nd STREET (WESTERLY BOUNDARY LINE OF SAID EASTERLY 278 FEET BEING PARALLEL TO THE WEST LINE OF SAID DIXIE HIGHWAY) IN THE SUBDIVISION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PROPERTY COMMONLY KNOWN AS: 15144 DIXIE HIGHWAY & 15141 & 15145 TERRACE DRIVE  
HARVEY, ILLINOIS 60426

PROPERTY TAX INDEX NUMBER: 29-18-100-037 VOLUME: 210

PREPARED BY AND AFTER RECORDING MAIL TO:  
COMMUNITY INVESTMENT CORPORATION  
ATTENTION: JAMES B. PACKARD  
600 SOUTH FEDERAL STREET  
CHICAGO, IL 60605  
(312) 341-0070

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## MORTGAGE LOAN RIDER

NOTWITHSTANDING the provisions, covenants and conditions contained in the Loan Documents pertaining to "Events of Default," the entering into of the Amendment and Restatement of Articles of Partnership of III CD DEVELOPMENT LIMITED PARTNERSHIP between the general partners thereof, whose signatures are listed below, and HOUSING XVII LIMITED PARTNERSHIP shall not be considered an Event of Default under the terms of this Mortgage; however any change in or substitution or withdrawal or removal of a General Partner, either voluntarily or otherwise, shall be considered an Event of Default hereunder.

### III CD DEVELOPMENT LIMITED PARTNERSHIP

BY: *Arnold S. Giles*  
ARNOLD S. GILES, GENERAL PARTNER

BY: *Willie L. Crayton*  
WILLIE L. CRAYTON, GENERAL PARTNER

BY: *Carlton W. Knight*  
CARLTON W. KNIGHT, GENERAL PARTNER

### COMMUNITY INVESTMENT CORPORATION

BY: *John Pritscher*  
JOHN PRITSCHER, PRESIDENT

FIRST NATIONAL BANK OF EVERGREEN PARK  
as Trustee and not personally

BY: \_\_\_\_\_

-- RIDER --

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*Use 44*

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## MORTGAGE LOAN RIDER

NOTWITHSTANDING the provisions, covenants and conditions contained in the Loan Documents pertaining to "Events of Default," the entering into of the Amendment and Restatement of Articles of Partnership of III CD DEVELOPMENT LIMITED PARTNERSHIP between the general partners thereof, whose signatures are listed below, and HOUSING XVII LIMITED PARTNERSHIP shall not be considered an Event of Default under the terms of this Mortgage; however any change in or substitution or withdrawal or removal of a General Partner, either voluntarily or otherwise, shall be considered an Event of Default hereunder.

### III CD DEVELOPMENT LIMITED PARTNERSHIP

BY: ARNOLD S. GILES, GENERAL PARTNER

BY: WILLIE L. CRAYTON, GENERAL PARTNER

BY: CARLTON W. KNIGHT, GENERAL PARTNER

### COMMUNITY INVESTMENT CORPORATION

BY: JOHN PRITSCHER, PRESIDENT

FIRST NATIONAL BANK OF EVERGREEN PARK  
as Trustee and not personally

BY:   
SERVICE PRESIDENT & TRUST OFFICER

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*gls*

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