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COOK COUNTY RECORDER

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MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT ("Mortgage") is made on June 29, 1995 by WOODLAWN EAST COMMUNITY AND NEIGHBORS, INC., an Illinois not-for-profit corporation ("Borrower") to THE CHICAGO COMMUNITY LOAN FUND, an Illinois not-for-profit corporation ("Lender").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness recited in this Mortgage, the receipt of which is hereby acknowledged, BORROWER HEREBY GRANTS, BARGAINS, SELLS, ASSIGNS, RELEASES, ALIENS, TRANSFERS, PREMISES, CONVEYS, MORTGAGES AND WARRANTS TO LENDER, ITS SUCCESSORS AND ASSIGNS, the real estate, situated in Cook County, Illinois ("Real Estate"), legally described on Exhibit A attached hereto and incorporated herein; and Borrower hereby grants to Lender, its successors and assigns, forever, a security interest in and a lien upon certain personal property hereinafter described located on and used in connection with the Real Estate;

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TOGETHER WITH, all estates, claims, demands, right, title and interest that Borrower may now have or hereafter acquire in and to any land or vaults lying within the right-of-way of or occupied by any street, alley, passage, avenue, highway or other way (whether open or proposed, vacated or otherwise), sidewalks, alleys, public places or any other strips or gores of land adjacent to, adjoining or used in connection with the Real Estate; all improvements, tenements, hereditaments, gas, oil, minerals, easements, fixtures, appurtenances and all other rights and privileges thereunto belonging or appertaining, including all easements, rights-of-way and rights used in connection therewith or as a means of access thereto; all tenements, hereditaments and appurtenances thereof and thereto; all developmental rights, air rights, water, water rights and shares of stock evidencing the same, including homestead and any other claim at law or in equity (collectively the "Appurtenant Rights");

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TOGETHER WITH, all right, title and interest that Borrower may now have or hereafter acquire in and to and all buildings and improvements now or hereafter erected on the Real Estate, including, without limitation, all landscaped and recreation areas and all on-site paved parking areas; all fixtures, attachments, appliances, equipment, machinery and other articles attached to and forming a part of said buildings and improvements, including without limitation all apparatus, machinery, equipment, and appliances of Borrower now or hereafter therein or thereon used to supply heat (whether single units or centrally controlled), gas, air conditioning (whether single units or centrally controlled), water, light, power, ventilation, and refrigeration and to treat or dispose of refuse or waste; and all screens, window shades, blinds, storm doors and windows, floor coverings, and awnings (collectively, the "Improvements");

TOGETHER WITH, all right, title and interest that Borrower may now have or hereafter acquire in and to all apparatus, machinery, equipment, and appliances of Borrower, used or useful for or in connection with the maintenance and operation of the Real Estate or intended for the use or convenience of tenants, other occupants, or patrons thereof; all items of furniture, furnishings, equipment, and personal property used or useful in the operation of the Real Estate; all building materials and equipment located on the Real Estate and intended for construction, reconstruction, alteration, repair or incorporation in or to the Improvements, whether or not yet incorporated in the Improvements; and all replacements and substitutes for the foregoing regardless of whether any of the foregoing is or shall be on or attached to the Real Estate (collectively, the "Personal Property");

TOGETHER WITH, all right, title and interest of Borrower in and to all options to purchase or lease the Real Estate, the improvements or any portion thereof or interest therein, and any greater estate in the Real Estate owned or hereafter acquired (collectively, the "Options");

TOGETHER WITH, all interests, estates or other claims, whether at law or in equity, which Borrower now has or may hereafter acquire in the Real Estate, the Improvements, the Personal Property or the Options;

TOGETHER WITH, all the estate, interest, right, title, other claim or demand, which Borrower now has or may hereafter acquire, including claims or demands with respect to the proceeds of insurance in effect with respect to the Mortgaged Property (as hereinafter defined) and any and all awards, claims for damages, judgments, settlements and any other compensation made for or as a result of the taking by eminent domain, or by any proceedings or purchase in lieu thereof, of the whole or any part of the Mortgaged Property, including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages (collectively, the "Proceeds");

TOGETHER WITH, all the rents, issues and profits of the Real Estate and any and all present and future leases or other agreements relative to the occupancy of the Real Estate and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money made as advance rent or for security) under such leases or agreements, including, without limitation, all cash or security

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deposits, advance rentals and deposits or payments of a similar nature, together with the right, but not the obligation, to collect, receive, and receipt for all such rents or revenues and apply them to the indebtedness secured hereby and to demand, sue for and recover the same when due or payable (collectively, the "Rents");

TOGETHER WITH, all goodwill, trademarks, trade names, option rights, purchase contracts, books and records and general intangibles of Borrower relating to the Real Estate or the Improvements; all accounts, contract rights, instruments, chattel paper and other rights of Borrower for payment of money for services rendered, for property sold, for money lent or for advances or deposits made; and any other intangible property of Borrower related to the Real Estate or the Improvements (collectively, the "Intangibles");

TOGETHER WITH, all rights of Borrower to plans and specifications, designs, surveys, drawings and other matters prepared for any construction on the Real Estate or for the Improvements (collectively, the "Plans");

TOGETHER WITH, all rights of Borrower under any agreement, contract, understanding or arrangement pursuant to which Borrower has, with the consent of Lender, obtained the agreement of any person to pay or disburse any money for Borrower's sale (or borrowing on the security) of the Mortgaged Property or any part thereof or pursuant to which any goods or services for or in connection with any construction undertaken on or services performed or to be performed in connection with the Real Estate or Improvements (collectively, the "Contract Rights");

TOGETHER WITH, all other property or rights of Borrower of any kind or character, including any permits and governmental approvals or soil reports related to the Real Estate or the Improvements, and all proceeds and products of the foregoing (the Real Estate, Improvements, Personal Property, Options, Proceeds, Rents, Intangibles, Plans, Contract Rights and all interests therein hereby mortgaged to Lender as provided above are hereinafter collectively referred to as the "Mortgaged Property");

FOR THE PURPOSE OF SECURING:

A. Payment of that certain indebtedness in an aggregate principal amount of EIGHTY THOUSAND AND NO/100 DOLLARS (\$80,000.00), with interest thereon (the "Loan"), evidenced by a certain Promissory Note of even date herewith made by Borrower to Lender with a final maturity date of December 30, 1996 (the "Note"), and which Note, together with any and all modifications, extensions and renewals thereof, are by this reference made a part of this Mortgage;

B. Payment of all sums advanced by Lender to protect the Mortgaged Property and to enforce its rights under this Mortgage, with interest thereon at the appropriate rate set forth in the Note or at the Post Maturity Rate (as that term is defined in *paragraph 33* below), as the case may be;

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C. Payment of all other sums, with interest thereon, which may hereafter be loaned to Borrower, or its successors or assigns, by Lender, when evidenced by a promissory note or notes reciting that it or they are secured by this Mortgage;

D. Performance of Borrower's obligations and agreements, including but not limited to the payment of all loan fees and other expenses payable by Borrower in connection with the Loan; and

E. Performance of Borrower's obligations and agreements under any other instrument now or hereafter given to evidence or further secure the payment of the Indebtedness (as that term is defined in *paragraph 1* below) secured hereby and any modification or amendment thereof (this Mortgage, the Note, any guaranty thereof and all other instruments or documents referred to above are hereinafter referred to sometimes individually as a "Loan Document" or collectively as the "Loan Documents");

TO HAVE AND TO HOLD the Mortgaged Property, unto Lender, its successors and assigns, forever, free from all rights and benefits under and by virtue of, and hereby releasing and waiving all rights under and by virtue of, the homestead exemption laws of the State of Illinois; for the purposes and uses herein set forth;

AND in connection with the foregoing, Borrower hereby agrees, covenants with, represents and warrants to Lender and any purchaser at any foreclosure sale, as of the date hereof and until the Indebtedness is paid in full and all other obligations of Borrower under this Mortgage or any of the other Loan Documents are performed in full, as follows:

1. **Payment of Indebtedness.** Borrower shall pay, promptly when due, each and every installment of principal and interest and any other indebtedness evidenced by or required to be paid pursuant to the Note, all charges, fees, and other sums provided in the Loan Documents; and all other amounts, obligations and indebtedness secured by this Mortgage (collectively, the "Indebtedness"), without demand, counterclaim, offset, deduction or defense, and Borrower hereby waives all rights that now or hereafter are conferred by statute or otherwise to assert any such demand, counterclaim, offset, deduction or defense.

2. **Title to Mortgaged Property.** Borrower has good and indefeasible title to the Mortgaged Property in fee simple; it has a good and lawful right and full power to sell, mortgage or convey the Mortgaged Property and to encumber the same in the manner and form set forth herein; the Mortgaged Property is free and clear of all easements, restrictions, leases, liens and encumbrances whatsoever (and any claim of any other person thereto) except for those permitted encumbrances listed on Exhibit B attached hereto and incorporated herein or accepted by Lender as exceptions to the ALTA Loan Title Insurance Policy delivered to and accepted by Lender in connection with the closing of the transaction creating the Indebtedness secured by this Mortgage ("Permitted Encumbrances"); and Borrower owns and will own all fixtures and articles of Personal Property now or hereafter affixed to or used in connection with the Real Estate, including any substitutions or replace-

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ments thereof, except as otherwise specifically disclosed to and consented to by Lender, free and clear of liens and claims. Borrower will warrant and defend the title to the Mortgaged Property against all claims and demands whatsoever. Borrower shall not operate the Mortgaged Property, or permit the same to be operated, as a cooperative or condominium building or buildings in which the tenants or occupants participate in the ownership, control or management of the Mortgaged Property or any part thereof, as tenant stockholders or otherwise.

3. **Care and Use of Mortgaged Property.** Borrower (a) shall keep the Mortgaged Property in a safe and insurable condition and repair; (b) shall not permit, commit or suffer any waste; (c) shall not abandon the Mortgaged Property; (d) shall refrain from impairing the security or value of this Mortgage; (e) shall refrain from any action and correct any condition which would increase the risk of fire or other hazards to the Improvements or any portion thereof; (f) shall not abandon any material portion of the Mortgaged Property; (g) shall not erect any new buildings or structures on the Real Estate or demolish or make any material alterations or additions of or to the Mortgaged Property, except as required by any Governmental Authority (as that term is defined in *paragraph 4* below) or with the prior written consent of Lender; (h) shall pay for and complete within a reasonable period of time any Improvements at any time in the process of erection on the Real Estate; (i) shall promptly repair, restore or rebuild any of the Improvements that may become damaged or destroyed, with materials and workmanship of at least as good a quality as existed before such damage or destruction; and (j) shall cause the Mortgaged Property to be managed in a competent and professional manner.

4. **Compliance with Laws.** Borrower (a) shall comply with all requirements of any statute, rule, regulation, order, decree or municipal ordinance and with all other requirements of any governmental or quasi-governmental authority or agency (any or all of the foregoing are herein sometimes referred to as a "Governmental Authority") having jurisdiction over or governing the Mortgaged Property, the conduct of Borrower's business thereon and the use thereof (any or all of the foregoing are herein sometimes referred to as "Governmental Regulations"), including, but not limited to, all Environmental Laws (as that term is defined in *paragraph 18(k)* below) and the Americans with Disabilities Act of 1990; (b) shall not commit, suffer or permit any act, use or nuisance to be done or exist in or upon the Mortgaged Property in violation of any such Governmental Regulations; and (c) shall observe and comply with any conditions and requirements (including without limitation any Governmental Regulations) necessary to preserve and extend any and all rights, licenses, permits (including without limitation zoning variances, special exceptions and non-conforming uses), privileges, franchises and concessions that are applicable to the Mortgaged Property or its use and occupancy.

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5. Payment of Taxes and Impositions.

(a) **Impositions.** Borrower shall pay, ten (10) days before any penalty or interest attaches, all real estate taxes and assessments (general or special), water charges, drainage charges, sewer charges and all other charges, fees, taxes, claims, levies, expenses, liens or assessments of any kind whatsoever, ordinary or extraordinary, that may be levied, assessed or imposed on or against the Mortgaged Property or any part thereof or interest therein (collectively, the "Impositions") and, at the request of Lender, shall exhibit to Lender official receipts evidencing such payments; *provided, however,* that if, by law, any such Impositions are payable in installments or may be so paid at the option of the taxpayer, Borrower may pay the same together with any accrued interest on the unpaid balance in installments as they become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) **Documentary Stamps.** If the United States Government shall at any time require Internal Revenue or other documentary stamps on this Mortgage or on the Note, or shall otherwise impose a tax or assessment upon this Mortgage or the Note or the Indebtedness secured hereby, or shall require payment of an interest equalization tax with respect to the Indebtedness secured hereby, Borrower, upon demand by Lender, shall pay for such stamps or such tax or assessment, or reimburse Lender therefor; *provided, however,* if in the opinion of counsel for Lender (i) it might be unlawful to require Borrower to make such payments or (ii) the making of such payments might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event Lender may elect, by notice in writing to Borrower, to declare all of the Indebtedness secured hereby to be and become due and payable thirty (30) days from the giving of such notice.

(c) **Mortgage Tax.** In the event of the enactment after the date of this Mortgage of any law of the State of Illinois (or of any political subdivision thereof) deducting any lien from the value of the Mortgaged Property for the purpose of taxation, or imposing upon Lender the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Borrower, or imposing a stamp or other documentary tax on this Mortgage or the Note or the Indebtedness secured hereby or otherwise changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Lender's interest in the Mortgaged Property, or the manner of collection of taxes, so as to affect this Mortgage or the Indebtedness secured hereby or the holder thereof, then, and in any such event, Borrower, upon demand by Lender, shall pay such taxes or assessments, or reimburse Lender therefor; *provided, however,* if in the opinion of counsel for Lender (i) it might be unlawful to require Borrower to make such payment or (ii) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, Lender may elect, by notice in writing to Borrower, to declare all of the Indebtedness secured hereby to be and become due and payable thirty (30) days from the giving of such notice.

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6. **Payment of Expenses; No Liens.** Borrower (a) shall pay when due operating costs and expenses of, and all claims for labor performed and materials furnished in connection with, the Mortgaged Property; (b) shall keep the Mortgaged Property free from liens of mechanics, materialmen, laborers and others and from all other liens, charges, mortgages, security agreements and encumbrances (other than Impositions not yet due and the Permitted Encumbrances); and (c) shall exhibit to Lender, upon request, satisfactory evidence of the payment and discharge of any such liens, charges and encumbrances.

7. **No Further Encumbrances.** Borrower shall not, without the prior written consent of Lender, create, suffer or permit to be created or to exist any mortgage, deed of trust, security interest, or other encumbrance of any kind whatsoever upon all or any part of the Mortgaged Property, whether junior, secondary or subordinate or senior or prior to the lien of the Mortgage, other than Impositions not yet due and the Permitted Encumbrances. To the extent the Lender so consents to any further encumbrances, Borrower shall perform all of its obligations with respect to such encumbrances, including without limitation payment when due of all principal interest and other indebtedness secured thereby. Borrower shall also furnish Lender with copies of all notices received from the holders of such encumbrances, claiming the existence of a default thereunder or giving notice of a condition which with the passage of time would give rise to a default thereunder.

8. **Right to Contest.** Notwithstanding anything in this Mortgage to the contrary, Borrower shall have the right to contest the validity (or the applicability to Borrower, the Mortgaged Property, the Note or this Mortgage) of any tax, assessment, law, ordinance, lien, charge or encumbrance referred to in *paragraphs 4, 5, 6 or 7* of this Mortgage, upon giving Lender timely notice of its intention to contest the same and making and thereafter maintaining with Lender a deposit of cash in an amount, or United States government securities in discount form having a present value equal to an amount, in either case, sufficient in the reasonable opinion of Lender (which amount may be at least 125% of the aggregate of such contested tax, assessment, lien, charge or encumbrance and all penalties, interest and costs that may accrue in connection therewith, which amount shall be increased whenever, in Lender's judgment, such increase is advisable) to pay and discharge or to assure compliance with the matter under contest in the event of a final determination thereof adverse to Borrower or in the event Borrower fails to prosecute such contest as required in this paragraph. Borrower agrees to prosecute any such contest diligently and by appropriate legal proceedings that (a) will prevent the enforcement of the matter under contest and the sale or forfeiture of the Mortgaged Property or any portion thereof or interest therein, (b) will not impair the lien of this Mortgage or (c) will not interfere with the use or occupancy of the Mortgaged Property or the normal conduct of business thereon. So long as Borrower is in compliance with the requirements contained in this *paragraph 8*, Lender shall not exercise its privilege, pursuant to *paragraph 23* below, of curing Borrower's defaults with respect to the matters specified in this paragraph. On final disposition of such contest, any cash or securities then held by Lender and not required to pay or discharge in full any such liability or to assure compliance with the matter contested shall be returned to Borrower. In the event the amount of money and any other security so deposited with

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Lender is insufficient to pay in full any such liability, Borrower immediately shall upon demand pay any such deficiency or reimburse Lender for any amounts expended by Lender to pay any such deficiency.

9. **No Change in Zoning or Use Without Lender's Consent.** Borrower shall not, without the prior written consent of Lender in each instance, (a) initiate or acquiesce in any zoning reclassification of the Mortgaged Property; (b) suffer or permit any change in the general nature of the occupancy or use of the Mortgaged Property; (c) by any act or omission permit any building or other improvements located on any premises not constituting part of the Mortgaged Property to rely on the Mortgaged Property or any part thereof or any interest therein to fulfill any municipal or governmental requirement; (d) permit any of the Improvements now or hereafter located on the Real Estate to rely on any premises not constituting part of the Mortgaged Property to fulfill any municipal or governmental requirement; (e) by any act or omission impair the integrity of the Mortgaged Property as a single zoning lot; (f) reduce, build upon, obstruct, redesignate or relocate any parking areas, sidewalks, aisles, streets, driveways or rights-of-way or lease or grant any right to use the same to any person (other than tenants of the Mortgaged Property and their invitees); or (g) grant or permit the granting of any easements, licenses, covenants, conditions or declarations of use applicable to or binding upon the Mortgaged Property. Any act or omission by Borrower which is in violation of any of the provisions of this paragraph 9 shall be void.

10. **Insurance.**

(a) **Fire and Extended Coverage.** Borrower shall keep the Mortgaged Property constantly insured against fire (with extended coverage), physical damage and such other perils, hazards, risks and casualties in such types of insurance, in such forms and amounts, with such companies and for such periods as may be approved or required from time to time by Lender, under insurance policies with loss payable and standard non-contribution mortgagee clauses in favor of and acceptable to Lender (or, in case of a foreclosure sale, in favor of the owner of the certificate of sale).

(b) [Intentionally left blank.]

(c) [Intentionally left blank.]

(d) **Adjustment of Loss; Application of Proceeds.** In the event Borrower shall suffer any loss covered by the insurance required under paragraph 10(a) above, Borrower immediately shall notify Lender in writing, and Borrower hereby authorizes and directs each and every insurance company concerned to make payments for such loss directly and solely to Lender (who may, but need not, make proof of loss) and Lender is hereby authorized to adjust, collect, and compromise in its discretion all claims under all such policies, and Borrower shall sign, upon demand by Lender, all receipts, vouchers, and releases required by such insurance companies. Insurance proceeds, or any part thereof, received

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by Lender, after deducting therefrom any expenses incurred by Lender in the collection or handling thereof ("net proceeds"), may be applied by Lender, at its option, as follows: (i) to reduce the Indebtedness, or any part thereof, whether matured or unmatured; (ii) to fulfill any of Borrower's covenants hereunder as Lender shall determine; or (iii) to replace or restore the Mortgaged Property to a condition satisfactory to Lender; or, in the alternative, Lender may, at its option, release the net proceeds to Borrower for the purpose of restoration and repair of the Mortgaged Property under such terms and conditions as Lender shall deem appropriate. No interest shall be payable by Lender on account of any insurance proceeds at any time held by Lender.

(c) **Liability Insurance; Other Insurance.** Borrower shall carry and maintain comprehensive general liability insurance naming Lender as an additional insured with such carriers, in such amounts and containing such co-insurance clauses as Lender shall approve. Borrower will apply all insurance proceeds under such policies to the payment and discharge of the liabilities in respect of which such proceeds are collected. If requested by Lender, Borrower shall carry and maintain business interruption and or loss of rental value insurance with such carriers, in such amount and containing such co-insurance clauses as Lender shall approve.

(f) **Delivery of Policies and Certificates.** Borrower shall deliver to Lender all policies of insurance required pursuant to *paragraph 10(a)* of this Mortgage with evidence of premiums prepaid and shall deliver to Lender certificates and renewal certificates of insurance or other evidence satisfactory to Lender with respect to the insurance required pursuant to *paragraph 10(c)* of this Mortgage. In addition, Borrower shall deliver all renewal policies or certificates to Lender not less than ten (10) days prior to the respective dates of expiration of any previously delivered policies or certificates. All such policies shall provide that they may not be cancelled or altered without giving Lender at least thirty (30) days' prior written notice.

11. **Tax and Insurance Escrow Deposits.** Lender shall have the right to require Borrower to deposit with Lender monthly, in addition to the payments required by the Note, an amount equal to the sum of 1/12th of the annual general real estate taxes and assessments levied on the Mortgaged Property and 1/12th of the annual premiums for insurance in force on the Mortgaged Property in accordance with *paragraph 10* of this Mortgage, to be held by Lender in trust in a non-interest-bearing account (but without any obligation to segregate), all as estimated by Lender to be sufficient to accumulate sufficient funds to pay such taxes, assessments and premiums *thirty (30) days prior to their due date*. In such event, Borrower further agrees to cause all bills, statements or other documents relating to such taxes, assessments and insurance to be sent or mailed directly to Lender. Upon receipt of such bills, statements or other documents, and provided Borrower has deposited sufficient funds with Lender pursuant to this paragraph, Lender shall, except as hereinafter provided, use such funds to pay such taxes, assessments and premiums when due. If at any time or for any reason the funds so deposited with Lender are or will be insufficient to pay such amounts as may then or subsequently be due, Lender shall notify Borrower and Borrower

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shall immediately deposit with Lender an amount equal to such deficiency. Notwithstanding the foregoing, upon the occurrence of an Event of Default (as defined in *paragraph 26 below*) under this Mortgage, Lender may, at its option, apply such funds in payment of the Indebtedness secured hereby. Compliance with this paragraph shall relieve Borrower of other obligations under this Mortgage only to the extent such compliance constitutes performance of such other obligations. Lender may waive, or suspend, and later reinstate, the application of this paragraph as often as it may determine, but no such waiver, suspension or reinstatement shall be effective unless made in writing by Lender.

12. **Assignment of Condemnation Awards.** Borrower hereby assigns to Lender, as additional security, all awards of damage resulting from condemnation proceedings or the taking of or injury to the Mortgaged Property for public use, and Borrower agrees that the proceeds of all such awards shall be paid to Lender and may be applied by Lender, at its option, after the payment of all of Lender's expenses in connection with such proceedings, including costs and attorneys' fees, to the reduction of the Indebtedness and Lender is hereby authorized, on behalf and in the name of Borrower, to execute and deliver valid acquittances for and to appeal from any such award. Any portion of any award remaining after the payments provided for in the preceding sentence shall be paid to Borrower or as otherwise ordered by a court of competent jurisdiction. Borrower further agrees to give Lender immediate notice of any actual or threatened condemnation or eminent domain proceedings and to give to Lender at any time, upon request, any additional instruments deemed necessary by Lender for the purpose of validly and sufficiently assigning all awards or appealing from any such award.

13. **Subordination of Mortgage to Leases.** At the sole 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 award in condemnation, 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, in the Office of the Recorder for the county in which the Mortgaged Property is situated, of a unilateral declaration to that effect.

14. **Annual Operating Statements.** Upon the written request of Lender, Borrower shall cause to be delivered to Lender, within ninety (90) days of the close of the fiscal year of Borrower, a written annual operating statement, sworn to by Borrower or an authorized financial officer or other representative of Borrower, duly acknowledged and otherwise in a form satisfactory to Lender, setting forth (a) an itemized statement of income and expenses with respect to the Mortgaged Property for such fiscal year prepared and certified by a certified public accountant acceptable to Lender; and (b) an annual rent schedule and a schedule of the gross sales or other receipts of each tenant having a lease under which rent is computed in whole or in part on the basis of a percentage of such sales or receipts. Lender shall have the right, upon five (5) days' prior written notice, to inspect and make copies of Borrower's books, records and income tax returns for the purpose of verifying any such statement within three (3) years after it has been submitted.

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15. **Estoppel Certificate.** Borrower, within seven days after being so requested by Lender, shall furnish a written statement, sworn to by Borrower or an authorized financial officer or other representative of Borrower, duly acknowledged and otherwise in a form satisfactory to Lender, setting forth the amount of the Indebtedness secured by this Mortgage, the date to which interest has been paid; stating either that no offsets or defenses exist against the Indebtedness secured hereby or, if such offsets or defenses are alleged to exist, the nature thereof; and covering such other matters as Lender may reasonable require.

16. **Additional 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 loan commissions, service charges, expenses, and advances due to or incurred by Lender in connection with the Loan to be secured hereby, all in accordance with the Loan Documents.

17. **Future Advances.** Lender may, at its sole option upon a request by Borrower, at any time before full payment of the Indebtedness, make further advances to Borrower, and the same with interest shall be on a parity with, and not subordinate to, the indebtedness evidenced by the Note and shall be secured hereby in accordance with all covenants and agreements herein contained; provided that the amount of principal secured hereby and remaining unpaid may decrease or increase from time to time but the total unpaid balance so secured at any one time shall not, including the amount of such advances, exceed two times the original principal sum secured hereby, plus all interest thereon and any disbursements made by Lender pursuant to the provisions of this Mortgage; and *provided further*, that if Lender shall make further advances as aforesaid, Borrower shall repay all such advances in accordance with the note or notes, or agreement or agreements, evidencing the same, which Borrower shall execute and deliver to Lender, which shall be payable no later than the maturity of the Indebtedness secured by this Mortgage and which shall include such other terms as Lender shall require.

18. **Further Representations, Warranties and Covenants of Borrower.** To induce Lender to make the Loan secured hereby, in addition to all other covenants, representations and warranties contained in this Mortgage, Borrower further represents, warrants and covenants, as of the date hereof and until the Indebtedness is paid in full and all other obligations of Borrower under this Mortgage or any of the other Loan Documents are performed in full, as follows:

(a) **Identity and Expertise of Borrower.** The identity and expertise of Borrower were and continue to be material circumstances upon which Lender has relied in connection with, and which constitute valuable consideration to Lender for, the extending to Borrower of the Loan and any change in such identity or expertise could materially impair or jeopardize the security for the payment of the Indebtedness hereby secured granted to Lender pursuant to this Mortgage.

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(b) **Power and Authority.** Borrower, and if Borrower is more than one person, each person constituting Borrower (and, if Borrower or any constituent person of Borrower is a partnership, each of Borrower's and any constituent person's general partners) is duly organized and validly existing and, if Borrower is a corporation, it is qualified to do business and in good standing in the state in which the Mortgaged Property is located, and has full power and due authority to execute, deliver and perform the obligations of Borrower under this Mortgage, the Note and all other Loan Documents in accordance with their terms. Such execution, delivery and performance has been fully authorized by all necessary corporate or partnership action and approved by each required Governmental Authority or other person, and the obligations of Borrower (and, if Borrower or any constituent person of Borrower is a partnership, each of Borrower's and any constituent person's general partners) under each of said Loan Documents are the legal, valid and binding obligations of each, enforceable by Lender in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws applicable to the enforcement of creditors' rights generally.

(c) **No Event of Default or Violations.** Neither an Event of Default (as defined in *paragraph 26* below) nor an event which constitutes or which would, with notice or the passage of time or both, constitute an Event of Default has occurred or is continuing under this Mortgage, the Note or any of the other Loan Documents. Neither Borrower, nor any person constituting Borrower, nor any general partner of any such person, is in violation of any Governmental Regulations (including, without limitation any applicable securities law) or in default under any agreement to which it is bound, or which affects it or any of its property; and the use and occupancy of the Mortgaged Property and the execution, delivery and performance of the obligations of Borrower under any of the Loan Documents, in accordance with their respective terms, do not and shall not violate any governmental requirement (including without limitation any applicable usury law) or conflict with, be inconsistent with, or result in any default under any of the representations, warranties, covenants, conditions or other provisions of any indenture, mortgage, deed of trust, easement, restriction of record, contract, document, agreement or instrument of any kind to which any of the foregoing is bound or which affects it or any of its property, except as identified in writing to and consented to by Lender.

(d) **No Litigation or Governmental Controls.** Other than the proceeding noted as item 3 on Exhibit B attached hereto, there are no proceedings of any kind pending or, to the best of Borrower's knowledge, threatened (i) against or affecting Borrower, the Mortgaged Property (including any attempt or threat by any Governmental Authority to condemn or rezone all or any portion of the Mortgaged Property), any party constituting Borrower or any general partner in any such person; (ii) involving the validity, enforceability or priority of this Mortgage, the Note or any of the other Loan Documents; or (iii) enjoining or preventing or threatening to enjoin or prevent the use and occupancy of the Mortgaged Property or the performance by Borrower of its obligations under any of the Loan Documents; and there are no rent controls, governmental moratoria or environmental orders presently in existence or, to the best of Borrower's knowledge, threatened against or

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otherwise affecting the Mortgaged Property, except as identified in writing to and approved by Lender.

(e) **Financial and Operating Statements.** All financial and operating statements submitted to Lender in connection with the Loan are true and correct in all respects, have been prepared in accordance with the requirements of *paragraph 1* and fairly present the respective financial condition of the persons to which such statements pertain and the results of their operations as of the respective dates shown thereon. No material adverse changes have occurred in the financial conditions and operations reflected therein since their respective dates, and no additional borrowings have been made since the date thereof, other than the Loan and any other borrowing previously approved in writing by Lender.

(f) **Other Statements to Lender.** Neither this Mortgage, the Note or any of the other Loan Documents, nor any document, agreement, report, schedule, notice or other writing furnished to Lender by or on behalf of any party constituting Borrower, or any general partner of any such person, contains any material omission or materially misleading or untrue statement of any fact.

(g) **Leases.** The only persons having any interest in the Mortgaged Property are Borrower and Lender. There are no persons occupying all or any portion of the Mortgaged Property as tenants pursuant to any leases. Borrower shall not lease all or any part of the Mortgaged Property without the prior written consent of Lender.

(h) **Nature of Mortgaged Property.** The Real Estate at the time of the execution of this Mortgage is not "residential real estate" as that term is defined in the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1219).

(i) **Business Loan.** The entire proceeds of the Note secured by this Mortgage are from a "business loan" (as that term is used in 815 ILCS 205/1); Borrower is a person borrowing money for the purpose of carrying on or acquiring a business of Borrower of the nature described in 815 ILCS 205/1; and the proceeds of the Note secured by this Mortgage shall be used exclusively for the purpose of carrying on or acquiring a business of Borrower of the nature described in 815 ILCS 205/1.

(j) **Compliance with Permit Requirements.** All required governmental permits are in effect and will remain in effect with respect to the Mortgaged Property; and the Mortgaged Property, in the use and operation thereof by Borrower, complies with and will continue to comply with all such permits.

(k) **No Environmental Event.** Borrower has no knowledge that there has ever been any event ("Environmental Event") at, on or in connection with the Mortgaged Property that would be deemed a release or a disposal of any hazardous, toxic or dangerous substance, waste or material, specifically including for purposes of this Mortgage any

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petroleum or crude oil or fraction thereof, friable asbestos or asbestos containing material, polychlorinated biphenyls or urea formaldehyde foam insulation (any or all of the foregoing are herein referred to as "Hazardous Material") defined as such in, regulated by or for the purpose of, or in violation of the Comprehensive Environmental Response Liability and Compensation Act, 42 U.S.C. § 9601, *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.*, the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*, the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.*, the Safe Drinking Water Act, 42 U.S.C. § 201 *et seq.*, the Clean Air Act, 42 U.S.C. § 7401 *et seq.*, as any of the foregoing may be amended from time to time, or any so-called "superfund" or "superlien" law or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any such substance, waste or material now or at any time hereafter in effect ("Environmental Law"); and Borrower has no knowledge of any threatened nor are there any pending "superliens," actions, notices of violation, notices of non-compliance, orders, citations or notices with respect to air emissions, water discharges, noise emissions or any other environmental, health or safety matter affecting Borrower or the Mortgaged Property or any part thereof ("Environmental Action") issued by any court, any Governmental Authority or any other entity which is authorized by law to issue orders under any Environmental Law ("Environmental Agency") or from anyone else. If Borrower receives (i) any notice of an Environmental Event affecting Borrower or the Mortgaged Property or any part thereof or (ii) any notice of an Environmental Action from any Environmental Agency or from anyone else, Borrower shall give, within seven (7) days, written notice thereof to Lender. Borrower assumes all obligations of compliance with all Environmental Laws that affect the Mortgaged Property or any business or other activity conducted thereon or in connection therewith.

(l) Borrower is not in violation of any covenants regarding the Real Estate, the Appurtenant Rights, the Improvements, the Personal Property, or the Options.

19. **Assignment of Rents and Leases.** Borrower hereby pledges and assigns to Lender, as further security for the payment of the Indebtedness, all of the Rents from the Mortgaged Property, together with all leases to all or any part of the Mortgaged Property ("Leases") and other agreements or documents evidencing such Rents now or hereafter in effect and any and all deposits held as security under such Leases, agreements or documents; and Borrower shall, upon demand, deliver to Lender a true copy of all such Leases or other agreements or documents. Nothing contained in the foregoing sentence shall be construed to bind Lender to the performance of any of the covenants, conditions or provisions contained in any such Lease or other agreement or document or otherwise to impose any obligation on Lender (including, without limitation, any liability under the covenant of quiet enjoyment contained in any Lease or in any law of any applicable state in the event that any tenant shall have been joined as a party defendant in any action to foreclose this Mortgage and shall have been barred and foreclosed thereby of all right, title and interest and equity of redemption in the Mortgaged Property), except that Lender shall be accountable for any money actually received pursuant to this assignment. Borrower hereby

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further grants to Lender the right, exercisable at Lender's option, (a) to enter upon and take possession of the Mortgaged Property for the purpose of collecting the Rents, (b) to dispossess by the usual summary proceedings any tenant defaulting in the payment of any Rents to Lender, (c) to let the Mortgaged Property, or any part thereof, and (d) to apply the Rents, after payment of all necessary charges and expenses, in payment of the Indebtedness then due or payable. Such assignment and grant shall continue in effect until the Indebtedness is paid in full, the execution of this Mortgage constituting and evidencing the irrevocable consent of Borrower to the entry upon and taking possession of the Mortgaged Property by Lender pursuant to such grant, whether foreclosure has been instituted or not and with or without applying for a receiver. Although it is the intention of Borrower and Lender that the assignment contained in this *paragraph 19* shall be a present assignment, it is expressly understood and agreed that, notwithstanding anything herein contained to the contrary, until the occurrence of an Event of Default under any of the Loan Documents or this Mortgage, Borrower shall be entitled to collect and receive the Rents and Lender shall not exercise any of the rights and powers conferred upon it by this *paragraph 19*. Borrower agrees to use the Rents in payment of taxes, assessments, water rates, sewer rents, carrying charges and other costs relating to the maintenance and operation of the Mortgaged Property becoming due against the Mortgaged Property and in payment of principal, interest and other amounts becoming due with respect to or under the Note secured by this Mortgage. At any time after the occurrence of an Event of Default under any of the Loan Documents or this Mortgage, such right of Borrower to collect and receive the Rents may be revoked by Lender by giving notice in the manner provided in *paragraph 11* below.

20. Security Agreement.

(a) **Creation of Security Interest.** Lender, by acceptance of this Mortgage, and Borrower mutually agree, intend and declare that, to the maximum extent permitted by applicable law, all of the Mortgaged Property shall be deemed to form a part and parcel of the Real Estate and for purposes of this Mortgage shall constitute real estate to be covered by this Mortgage; *provided, however,* that as to the balance of the Personal Property not so included within the Real Estate, and all replacements of, substitution for, and additions to such Personal Property, and the proceeds thereof, and as to all Proceeds, Rents, Intangibles, Plans, Contract Rights, and all sums from time to time on deposit with Lender ("Deposits"), if any, pursuant to *paragraph 11* above, and, to the extent permitted by applicable law, all Leases between Borrower, as lessor, and any tenant of the Mortgaged Property, including all extensions and renewals of the terms thereof and any amendments to or replacements thereof, together with all of the right, title and interest of Borrower to the Rents (the Personal Property, replacements, substitutions, additions and the proceeds thereof, the Proceeds, Rents, Intangibles, Plans, Contract Rights, Deposits and Leases described in the preceding provisions of this paragraph are sometimes herein collectively referred to as the "Collateral"), this Mortgage is hereby declared to be a Security Agreement under the provisions of the Uniform Commercial Code of the state in which the Mortgaged Property is located ("Code") for the purpose of creating a security interest in and to the Collateral. It is further agreed that the Deposits, if any, and all of Borrower's right, title and interest

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therein are hereby assigned to Lender, as secured party, to secure payment of the Indebtedness secured by this Mortgage and to secure performance by the Borrower of all of the terms, covenants and provisions of the Note, this Mortgage and all of the other Loan Documents.

(b) **Warranties, Representations and Covenants With Respect to Collateral.** Borrower hereby represents, warrants and covenants, as of the date hereof and until the Indebtedness is paid in full and all other obligations of Borrower under this Mortgage or any of the other Loan Documents are performed in full, as follows:

(i) Except with respect to the security interest granted hereby or pursuant to any of the other Loan Documents, Borrower is, and as to portions of the Personal Property to be acquired after the date hereof will be, the sole owner of the Collateral, free from any adverse lien, security interest, encumbrance or adverse claims thereon of any kind whatsoever and Borrower will notify Lender of, and will defend the Personal Property against, all claims and demands of all persons at any time claiming the same or any interest therein.

(ii) Borrower will not lease, sell, convey or in any manner transfer the Collateral without the prior written consent of Lender, except such portions or items of Personal Property which are consumed or become obsolete, worn out, inadequate, unserviceable or unnecessary in ordinary usage, all of which shall be promptly replaced by Borrower with the same type of property at least equal in value and utility;

(iii) [Intentionally left blank.]

(iv) The Personal Property will be kept on or at the Real Estate and Borrower will not remove the Personal Property from the Real Estate without the prior written consent of Lender, except such portions or items of Personal Property which are consumed or become obsolete, or worn out, inadequate, unserviceable or unnecessary in ordinary usage, all of which shall be promptly replaced by Borrower with the same type of property at least equal in value and utility;

(v) Borrower maintains a place of business in Cook County in the State of Illinois and Borrower will immediately notify Lender in writing of any change in such place of business;

(vi) From time to time, at the request of Lender, Borrower will (A) deliver to Lender such further financing statements, renewals and amendments thereof, security documents and assurances as Lender may require to the end that the liens and security interests created hereby on the Collateral shall be and remain perfected and protected in accordance with the requirements of the Code or similar future law, (B) pay the cost of filing the same in all public offices wherever filing is deemed by Lender to be

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necessary or desirable, and (C) deliver to Lender an inventory of the Personal Property in reasonable detail; and

(vii) All covenants and obligations of Borrower contained in this Mortgage relating to the Mortgaged Property shall, to the extent applicable, be deemed to apply to the Collateral whether or not expressly referred to in this *paragraph 20*.

(c) **Lender's Rights With Respect to Collateral.** Upon the occurrence of an Event of Default (as defined in *paragraph 26* below) under this Mortgage, pursuant to the appropriate provisions of the Code, Lender shall have the option to proceed with respect to both the Mortgaged Property and the Collateral in accordance with its rights, powers and remedies with respect to the Mortgaged Property, in which event the provisions of the Code shall not apply. Borrower and Lender agree that if Lender shall elect to proceed with respect to the Collateral separately from the Mortgaged Property, five (5) days notice of the sale of the Collateral shall be reasonable notice, and the reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Lender shall include, without limitation, reasonable attorney's fees and legal expenses.

21. **Lender's Right of Inspection.** Borrower shall (a) permit Lender or its representatives to enter on and inspect the Mortgaged Property at all reasonable times and to inspect and audit all records relating to the Mortgaged Property, including all Leases, rent rolls or related reports, for the purpose of determining whether Borrower is in compliance with the provisions of the Note, this Mortgage or any of the other Loan Documents; and (b) shall prepare such schedules, summaries, reports and progress schedules as Lender may from time to time request.

22. **Further Assurances.** Borrower shall do, execute, acknowledge and deliver, at the sole cost and expense of Borrower, all such further acts, deeds, conveyances, mortgages, assignments, financing statements, notices of assignment, transfers and assurances as Lender may require from time to time in order to better assure, convey, assign, transfer and confirm unto Lender the rights now or hereafter intended to be granted to Lender under this Mortgage, any other instrument or Loan Document executed in connection with this Mortgage, or any other instrument under which Borrower may be or may hereafter become bound to convey, mortgage or assign to Lender for the purpose of carrying out the intention or facilitating the performance of the terms of this Mortgage. Borrower hereby appoints Lender its attorney-in-fact and hereby authorizes and empowers Lender, as such attorney-in-fact, to execute, acknowledge and deliver for and in the name of Borrower any and all of the instruments mentioned in this *paragraph 22*, all to the extent permitted by applicable law. This power, being coupled with an interest, shall be irrevocable as long as any part of the Indebtedness remains unpaid.

23. **Lender's Right to Cure.** Upon the occurrence of any Event of Default (as defined in *paragraph 26* below), Lender may, at its option, make any payment or perform any act heretofore required of Borrower, in any form and manner which Lender in its sole

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discretion deemed expedient. By way of illustration and not in limitation of the foregoing, Lender may, but need not, (a) make full or partial payments of principal or interest on prior and co-ordinated encumbrances (including without limitation Impositions, if any); (b) purchase, discharge, compromise, or settle any tax lien or any other lien, encumbrance, suit, proceeding, title, or claim therefor (including without limitation Impositions); (c) redeem all or any portion of the Mortgaged Property from any tax sale or forfeiture affecting the Mortgaged Property; (d) contest any tax, assessment or other charge (including without limitation Impositions); (e) audit or cause to be audited the books and records of Borrower; or (f) prepare or cause to be prepared any statements or other records not provided by Borrower in accordance with the requirements of this Mortgage. Lender may satisfy or discharge any claim as herein authorized without inquiry into the validity of such claim, but in no event shall such satisfaction or discharge be construed as a waiver of any Event of Default. The amount of all moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith (including without limitation reasonable attorneys' fees, and any costs associated with obtaining any survey, abstract of title and continuations thereof, opinion on title, report on title or title insurance policy or continuations thereof or update thereto or title insurance endorsement prepared by a title insurance company of Lender's choosing, any Torrens certificate or any other similar data or assurances with respect to title), and any other moneys advanced by Lender to protect the Mortgaged Property and the lien of this Mortgage shall be additional Indebtedness secured hereby and shall become immediately due and payable without notice, and with interest thereon at the Post Maturity Rate (as defined in *paragraph 3.3* below). In making any payment hereby authorized relating to taxes or assessments, Lender shall have absolute discretion and final authority to determine the legality and validity thereof and the amount necessary to be paid in satisfaction thereof, and Lender may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy thereof or the validity of any such tax or assessment.

24. Indemnification of Lender. Borrower shall indemnify and hold Lender harmless from and against any and all liability, loss, cost, damage and expense, including without limitation reasonable attorneys' fees, incurred or suffered by Lender in connection with any claim, demand, suit or proceeding (including without limitation any Environmental Action, probate or bankruptcy proceeding), or the threat thereof, whether asserted against Lender or whether in or to which Lender becomes or may become a party, either as a plaintiff or as a defendant, by reason of this Mortgage, the Indebtedness or any of the other Loan Documents or for the purpose of protecting the lien of this Mortgage or of any other Loan Document, but Lender shall have the right to defend any such suit or proceeding with counsel of its choice at Borrower's cost. Borrower shall reimburse Lender for all such amounts provided for herein and paid for by Lender immediately upon demand, and all such amounts shall, until paid, be and become additional Indebtedness secured hereby and by the other Loan Documents with interest thereon at the Post Maturity Rate (as defined in *paragraph 3.3* below).

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25. **Lender's Right of Subrogation.** Should the proceeds of the Loan made by Lender to Borrower, or any part thereof, or should any amount paid out or advanced by Lender in any case, be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon the Mortgaged Property or any part thereof, then Lender shall be subrogated to such other lien or encumbrance and to any additional security held by the holder thereof and shall have the benefit of the priority of all the same.

26. **Events of Defaults.** Any of the following shall constitute an "Event of Default" under this Mortgage:

(a) **Non-Payment.** A default shall occur in the payment of any installment of principal, interest or combined principal and interest pursuant to the Note, or in the payment of any other amount coming due under the Note, this Mortgage or any of the other Loan Documents and in any of such events such defaults shall continue for five (5) days;

(b) **Non-Observance; Non-Performance; False or Inaccurate Representation or Warranty.** A default shall occur in the observance or performance of any other covenant, agreement or obligation of Borrower contained in the Note, this Mortgage or any other Loan Document or any other instrument given at any time as security for payment of the indebtedness or any representation, warranty or other statement made in this Mortgage, in any other Loan Document, or any representation, warranty or statement made in this Mortgage or in any other Loan Document or in any other document or material furnished to Lender by or on behalf of Borrower in connection with the Loan proves to be false or inaccurate in any material respect as of the date of making or issuance thereof;

(c) **Sale, Transfer or Encumbrance.** Borrower, without the prior written consent of Lender, shall (i) sell, convey, lease with an option to purchase, enter into a contract for the sale of, grant an option to purchase or otherwise alienate, mortgage or further encumber all or any part of the Mortgaged Property or any interest therein, or (ii) be divested of its title thereto or any interest therein in any manner or way, whether voluntarily or involuntarily;

(d) **Change in Ownership of Borrower.** Any merger, consolidation, dissolution or reorganization of Borrower or, if Borrower is a partnership, of the corporate general partner of Borrower shall occur; or any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, any general partnership interest in Borrower or a majority interest in Borrower or in any corporation or other partnership constituting a general partner of Borrower shall occur, other than by reason of the death of an individual Borrower, the death of an individual general partner or stockholder of Borrower or the death of an individual owning an interest in a general partner of Borrower;

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(c) **Judgments; Enforcement of Liens.** Any proceedings shall be instituted or process issued to enforce any lien, charge or encumbrance against the Mortgaged Property a writ of execution or attachment or any similar process shall be issued or levied against all or any portion of the Mortgaged Property or interest therein; or any judgment or judgment involving monetary damages in excess of \$10,000 in the aggregate shall be entered against Borrower which shall become a lien on all or any portion of the Mortgaged Property or any interest therein and within twenty (20) days thereafter such proceeding, execution, attachment, similar process or judgment is not dismissed, stayed on appeal, withdrawn, released, satisfied or vacated;

(f) **Default Under Other Loan Documents.** A default shall occur in the observance or performance of any covenant or agreement of Borrower, with respect to payments or otherwise, contained in any other deed of trust, mortgage, lease or security agreement relating to the Mortgaged Property or any part thereof;

(g) **Governmental Action.** Borrower, any guarantor of all or any portion of the Indebtedness or, if Borrower is a partnership, any of its general partners shall be prevented or relieved by any Governmental Authority from performing or observing any material term, covenant or condition of the Note, this Mortgage or any of the other Loan Documents;

(h) **Material Adverse Change.** Any material adverse change shall occur in the assets, financial condition, business, operations, affairs or circumstances of the Borrower, any guarantor of all or any portion of the Indebtedness or, if Borrower is a partnership, any of its general partners;

(i) **Environmental Lien or Claims.** Any Environmental Agency or other person asserts or creates a lien upon the Mortgaged Property or any part thereof by reason of the occurrence of an Environmental Event or otherwise; or any Environmental Agency or other person asserts a claim or initiates an Environmental Action (a) against Borrower, any guarantor of all or any portion of the Indebtedness or, if Borrower is a partnership, any of its general partners for damages or cleanup costs or contribution related to an Environmental Event on or with respect to the Mortgaged Property or any part thereof or (b) related to an Environmental Event on or with respect to property other than the Mortgaged Property which, in Lender's judgment could result in a lien on the Mortgaged Property or any part thereof or in liability to Borrower or Lender if not cured or corrected; *provide I, however,* that no assertion, creation or initiation of any such claim, lien or Environmental Action shall constitute an Event of Default if, within seven (7) days of the assertion, creation or initiation of such claim, lien or Environmental Action, Borrower has commenced and is diligently pursuing either: (x) cure or correction of the Environmental Event which constitutes the basis for such claim, lien or Environmental Action and is continuing diligently to pursue such cure or correction to completion; or (y) proceedings are instituted for an injunction, a restraining order or other appropriate emergency relief preventing such Environmental Agency or other person from asserting such claim or lien or

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pursuing such Environmental Action, which relief is granted within seven (7) days of the assertion, creation or initiation of such claim, lien or Environmental Action and the injunction, order or emergency relief is not thereafter dissolved or reversed on appeal; and, in either of the foregoing events, Borrower has posted a bond, letter of credit or other security satisfactory in form, substance and amount to both Lender and the Environmental Agency or other person asserting, creating or initiating such claim, lien or Environmental Action to secure the proper and complete cure or correction of the Environmental Event constituting the basis for such claim, lien or Environmental Action; or

(j) **Bankruptcy; Insolvency.** Any one of the following events shall occur:

(i) Borrower, any guarantor of all or any portion of the Indebtedness or, if Borrower is a partnership, any of its general partners becomes insolvent, is generally not paying its debts as they become due or admits in writing its inability to pay its debts as they become due;

(ii) Borrower, any guarantor of all or any portion of the Indebtedness or, if Borrower is a partnership, any of its general partners voluntarily suspends the transaction of business;

(iii) Borrower, any guarantor of all or any portion of the Indebtedness or, if Borrower is a partnership, any of its general partners applies for, consents to or acquiesces in the appointment of a trustee, receiver or other custodian for such person or any property of such person or makes a general assignment for the benefit of creditors;

(iv) In the absence of any application, consent or acquiescence, a trustee, receiver or other custodian is appointed for Borrower, any guarantor of all or any portion of the Indebtedness or, if Borrower is a partnership, any of its general partners or for a substantial part of the property of such persons and in any of such events such trustee, receiver or other custodian is not discharged within thirty (30) days;

(v) Any bankruptcy, reorganization, debt arrangement, composition, readjustment, dissolution, liquidation or other case or proceeding is commenced under any federal, state or other bankruptcy or insolvency law in respect of Borrower, any guarantor of all or any portion of the Indebtedness or, if Borrower is a partnership, any one of its general partners and, if such case or proceeding is not commenced by Borrower or a general partner of Borrower, as the case may be, it is consented to or acquiesced in by the person or persons against which the same was commenced or remains undischarged for thirty (30) days;

(vi) A writ or warrant of attachment or similar order shall be issued by any court or any Governmental Authority against all or a substantial portion of the

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property of Borrower, any guarantor of all or any portion of the Indebtedness or, if Borrower is a partnership, any of its general partners; or

(vii) Borrower, any guarantor of all or any portion of the Indebtedness or, if Borrower is a partnership, any one of its general partners takes any action to authorize, or in furtherance of, any of the foregoing.

27. **Lender's Remedies on Default.** Upon the occurrence of any Event of Default, then:

(a) **Acceleration.** The Indebtedness secured hereby shall, at the option of Lender, become immediately due and payable without demand or further notice, with interest thereon from the date of the first of any such Event of Default, at the Post Maturity Rate.

(b) **Foreclosure.** After acceleration, Lender may immediately foreclose this Mortgage. The court in which any proceeding is pending for that purpose may, at once or at any time thereafter, either before or after sale, without notice and without requiring bond, without regard to the solvency or insolvency of any person liable for payment of the Indebtedness secured hereby and without regard to the then value of the Mortgaged Property or whether the Mortgaged Property shall then be occupied as a homestead, appoint a receiver (the provisions for the appointment of a receiver and assignment of Rents being an express condition upon which the Loan hereby secured is made) for the benefit of Lender, with power to collect the Rents of the Mortgaged Property, due and to become due, during such foreclosure suit and the full statutory period of redemption, if any, notwithstanding any redemption. The receiver, out of such Rents when collected, may pay costs incurred in the management and operation of the Mortgaged Property, prior and co-ordinate liens, if any, and taxes, assessments, water and other utilities and insurance, then due or thereafter accruing, may make and pay for any necessary repairs to the Mortgaged Property and may pay all or any part of the Indebtedness secured hereby or any deficiency decree entered in such foreclosure proceedings.

(c) **Exercise of Rights to Collateral.** Lender may exercise, at its option and without regard to whether the Indebtedness secured hereby is declared to be immediately due as provided in subparagraph 27(a) above, any or all of the remedies available to a secured party with respect to the Collateral as provided in *paragraph 20* of this Mortgage.

(d) **Other Remedies.** Subject to applicable laws, Lender shall have the right, at its option and without regard to whether the Indebtedness is declared to be immediately due as provided in subparagraph 27(a) above, acting through its agents or attorneys, either with or without process of law, forcibly or otherwise, (i) to enter upon and take possession of the Mortgaged Property; (ii) to expel and remove any persons, goods or chattels occupying or upon the same; (iii) to collect or receive all the Rents therefrom; (iv) to manage and control the same; (v) to lease the same or any part thereof from time to

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time; and (vi) after deducting all reasonable attorneys' fees and all reasonable expenses incurred in the protection, care, maintenance, management and operation of the Mortgaged Property, to apply the remaining net income so collected or received upon the Incubtedness or upon any deficiency decree entered in any foreclosure proceedings.

28. **Waiver of Right of Redemption and Similar Rights.** Borrower hereby waives for Borrower, its heirs, devisees, representatives, vendees, successors and assigns and for any and all persons claiming any interest in the Mortgaged Property, to the maximum extent permitted by law, the benefit of all laws now existing or that hereafter may be enacted providing for (a) any appraisal before sale of any portion of the Mortgaged Property, (b) the sale of the Mortgaged Property as separate or unitary tracts, lots or units, and (c) the benefit of all laws now in effect or that may be hereafter enacted that in any way (i) extend the time for the enforcement or the collection of the Note or the Indebtedness evidenced thereby or (ii) this Mortgage or (ii) create or extend a period of redemption from any sale under any order or decree of foreclosure of this Mortgage. To the full extent Borrower may do so, Borrower agrees that Borrower will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in effect that provides for any appraisal, valuation, stay, extension, reinstatement or redemption, and Borrower hereby waives and releases, for Borrower, its heirs, devisees, representatives, vendees, successors and assigns and for any and all persons claiming any interest in the Mortgaged Property, to the maximum extent permitted by law, all rights of reinstatement, redemption, valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the Indebtedness and marshaling in the event of foreclosure of the liens hereby created. If any such law now in effect, of which Borrower, its heirs, devisees, representatives, successors and assigns or any other person might take advantage despite this *paragraph* 28, shall hereafter be repealed or cease to be enforced, such law shall not thereafter be deemed to preclude the application of this *paragraph* 28.

29. **Payment of Lender's Expenses.** In the case of the foreclosure of the lien of this Mortgage by Lender in any court of law or equity, there shall be allowed all court costs and expenses (which may be estimated as to items to be expended after entry of decree) incurred by Lender, including without limitation reasonable attorneys' fees, stenographers' charges; cost of procuring any abstract of title and continuations thereof, opinion on title or title insurance policy and continuations thereof, Torrens certificates and similar data and assurances with respect to title covering said foreclosure proceedings; cost of any survey; all costs and expenses of procuring testimony and evidence; and all costs and expenses incurred by Lender in or with respect to any such suit or proceeding, or in the preparation thereof.

30. **Lien for Fees and Expenses.** All fees and expenses allowable pursuant to this Mortgage, together with interest thereon at the Post Maturity Rate from the date of payment thereof, shall be additional Indebtedness secured hereby, shall be a charge upon the Mortgaged Property and shall constitute a lien on the Mortgaged Property secured hereby. There shall be included in any decree foreclosing the lien of this Mortgage and be paid out of the Rents or proceeds of any sale made in pursuance of any such decree in the

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following order: (a) all costs and expenses of such suit or suits as described in *paragraph 29* above with interest as herein provided; (b) all money advanced by Lender for any purpose authorized in this Mortgage, with interest as herein provided; (c) all of the accrued interest remaining unpaid on the Indebtedness hereby secured; and (d) the principal balance of the Note at such time remaining unpaid. The overplus of the proceeds of the sale, if any, shall then be paid to Borrower on reasonable request. In the event that, after legal proceedings are instituted to foreclose the lien of this Mortgage, tender is made of the entire amount of Indebtedness secured hereby, Lender shall be entitled to reimbursement for expenses incurred in connection with such legal proceedings, including such expenditures as are enumerated above, such expenses shall be additional Indebtedness secured by this Mortgage, and no such suit or proceedings shall be dismissed or otherwise disposed of until such fees, expenses, and charges shall have been paid in full.

31. **Use of Proceeds.** The proceeds of the Loan shall be used solely for the payment of pre-development costs and expenses with respect to the rehabilitation and redevelopment of a 46-unit residential building located on the Real Estate. The proceeds of the Loan shall not be used for payment of the operating expenses of Borrower.

32. **Lender's Rights Cumulative.** The remedies and rights herein are cumulative and in addition to every other remedy or right now or hereafter existing at law or in equity. No delay in the exercise of, or omission to exercise, any remedy or right accruing upon the occurrence of any Event of Default shall impair any such remedy or right or be construed to be a waiver of any such Event of Default, or acquiescence therein, nor shall it affect any subsequent Event of Default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Lender. If the proceeds of any separate sale or sales of less than the whole of the Mortgaged Property shall be less than the aggregate amount of the Indebtedness then outstanding and all costs and expenses incurred in connection with such sale or sales, this Mortgage and the lien created hereby shall remain in full force and effect as to the unsold portion of the Mortgaged Property as though such sale or sales had not occurred.

33. **Post Maturity Interest Rate.** The term "Post Maturity Rate" shall mean, the interest rate specified in the Note to be charged on overdue payments of principal (and of interest to the extent permitted by law), but not more than the maximum contract rate permitted by law.

34. **No Usury.** Nothing contained in this Mortgage or in any of the other Loan Documents or in any transaction related hereto shall be construed or shall so operate either presently or prospectively (a) to require Borrower to pay interest in excess of the maximum amount of interest permitted by law to be charged in the case of the Loan and the Indebtedness secured hereby, but shall instead be deemed require payment of interest only to the extent of the lawful amount, or (b) to require Borrower to make any payment or do any act contrary to law. If any interest in excess of the maximum amount of interest permitted by law to be charged is provided for, or is adjudicated to be provided for, in the

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Note, this Mortgage or any of the other Loan Documents, then in such event (i) the provisions of this *paragraph 34* shall govern and control; (ii) neither Borrower nor any of the other obligors under the Note or any guaranty given as additional security for the Indebtedness shall be obligated to pay any interest in excess of that so permitted; (iii) any interest in excess of that so permitted that Lender may have received in connection with the Indebtedness shall, at the option of Lender, be (A) applied as a credit against the then unpaid principal balance under the Note, (B) applied as a credit against any accrued and unpaid interest on the unpaid principal balance under the Note (but not to exceed the maximum amount permitted by applicable law), (C) refunded to the Borrower or other payee thereof or (D) applied or refunded pursuant to any combination of the foregoing; (iv) the rate of interest the Note shall be automatically reduced to the maximum rate permitted under applicable law and the Note, this Mortgage and the other Loan Documents shall be deemed to have been, and shall be, reformed or modified to reflect such reduction in the rate of interest; and (v) neither Borrower nor any of the other obligors under the Note or any guaranty given as additional security for the Indebtedness shall have any action against Lender for any damages whatsoever arising out of the payment or collection of any such interest.

35. **Partial Invalidity; Severability.** If the lien of this Mortgage is invalid or unenforceable as to any part of the Indebtedness, or if the lien is invalid or unenforceable as to any part of the Mortgaged Property, the unsecured or partially secured portion of the Indebtedness shall be completely paid prior to the payment of the remaining secured or partially secured portions of the Indebtedness, and all payments made on the Indebtedness, whether voluntarily or under foreclosure or other enforcement actions or procedures, shall be considered to have been first paid on and applied to the full payment of that portion of the Indebtedness not secured or fully secured by the lien of this Mortgage. If any term, covenant or provision contained in this Mortgage or in any of the other Loan Documents, or the application thereof to any person or circumstance, shall be determined to be void, invalid, illegal or unenforceable to any extent or shall otherwise operate to invalidate this Mortgage or any such Loan Document, in whole or part, then such term, covenant or provision only shall be deemed not contained in this Mortgage or in such Loan Document; the remainder of this Mortgage and such other Loan Documents and shall remain operative and in full force and effect shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained herein or therein; and the application of such term, covenant or provision to other persons or circumstances shall not be affected, impaired or restricted thereby.

36. **No Discharge of Borrower's Liability.** In the event of the voluntary sale or transfer, by operation of law or otherwise, of all or any part of the Mortgaged Property, Lender is hereby authorized and empowered to deal with such vendee or transferee with reference to the Mortgaged Property, on the terms or conditions hereof, as fully and to the same extent as it might with Borrower, without in any way releasing or discharging Borrower from Borrower's liability, covenants or undertakings hereunder.

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37. **No Impairment of Collateral by Lender's Acts.** Without affecting the liability of Borrower or any other person, including without limitation any guarantor under a guaranty (except any person expressly released in writing) for payment of all or any portion of the Indebtedness or for performance of any obligation contained herein, and without affecting the rights of Lender with respect to any security not expressly released in writing, the validity or priority of this Mortgage or the lien created hereby or any guaranty given as additional security for the Indebtedness, Lender, at any time and from time to time either before or after the maturity of the Note and without notice or consent, may (a) release or partially release any person liable for payment of all or any part of the Indebtedness or for performance of any obligation; (b) make any agreement extending the time or otherwise altering the terms of payment of all or any part of the Indebtedness; modifying or waiving any obligation; or subordinating, modifying or otherwise dealing with the lien or charge hereof; (c) exercise, refrain from exercising or waive any right Lender may have; (d) accept additional security of any kind; (e) release, partially release or otherwise deal with any property, real or personal, securing the Indebtedness secured hereby, including all or any part of the Mortgaged Property.

38. **Effect of Extension of Time and Amendments on Junior Liens and Others.** Any person taking a junior mortgage or other lien upon the Mortgaged Property or any interest therein shall take such lien subject to the rights of Lender (a) to amend, modify and supplement this Mortgage, the Note, the other Loan Documents or any other document or instrument evidencing, securing or guaranteeing the Indebtedness; (b) to vary the rate of interest and the method of computing the same; (c) to impose additional fees and other charges; and (d) to extend the maturity of the Indebtedness, in each and every case without obtaining the consent of the holder of such junior lien, and without the lien of this Mortgage losing its priority over the rights of any such junior lien. Nothing contained in this paragraph 38 shall be construed, however, as waiving any provision contained in this Mortgage which provides, among other things, that it shall constitute an Event of Default if the Mortgaged Property shall be sold, conveyed or further encumbered.

39. **Release of Mortgage.** Upon full payment of all of the Indebtedness at the time and in the manner provided in this Mortgage, in the Note and in the other Loan Documents, and provided all covenants and agreements contained in this Mortgage and in the other Loan Documents are kept and performed, this Mortgage shall be null and void, and upon demand therefor following such payment, a reconveyance or release of the Mortgaged Property shall in due course be made by Lender to Borrower at Borrower's expense.

40. **Governing Law.** The terms and provisions of this Mortgage and the Note it secures shall be construed and governed by the laws of the State of Illinois.

41. **Addresses for Notices.** All notices, demands, consents, requests, or other communications that are either required or contemplated in connection with this Mortgage shall be in writing, and shall be deemed given to the intended recipient thereof upon the

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earlier of: (a) actual delivery thereof at the address designated below for such intended recipient; (b) the first business day after deposit with a nationally recognized, reputable commercial courier service, such as Federal Express Company, with all charges prepaid; or (c) the third business day after the deposit thereof at any main or branch United States post office with postage prepaid for delivery thereof via certified or registered first class mail, return receipt requested, and in any such case addressed as follows:

If to Borrower: Woodlawn East Community and Neighbors, Inc.
1541 E. 65th Street
Chicago, Illinois 60637
Attention: President

with a copy to: David L. Goldstein, Esq.
35 E. Wacker Drive, Suite 1750
Chicago, Illinois 60601

If to Lender: The Chicago Community Loan Fund
343 South Dearborn, Suite 1001
Chicago, Illinois 60604
Attention: Executive Director

with a copy to: Steven D. Friedland, Esq.
Schiff Hardin & Waite
7200 Sears Tower
Chicago, Illinois 60606

By notice complying with the foregoing provisions of this *paragraph 41*, Borrower and Lender may from time to time change the above addresses applicable to them for the purposes hereof, except that any such notice shall not be deemed delivered until actually received. Copies of notices are for informational purposes only and the failure to give or to receive copies of notices shall not be deemed a failure to give notice.

42. **Binding Effect; Miscellaneous Definitions.** All provisions and covenants of this Mortgage run with the land and shall inure to and bind the parties hereto and their respective heirs, devisees, representatives, vendees, successors and assigns. The word "Borrower" shall include all persons claiming under or through Borrower and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage. As used in this Mortgage, the terms "person" or "persons" shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

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43. **Captions.** The captions or headings at the beginning of any paragraph or portion of any paragraph in this Mortgage are for the convenience of Borrower and Lender and for purposes of reference only and shall not limit or otherwise alter the meaning of the provisions of this Mortgage.

44. **Illinois Mortgage Foreclosure Act Provisions.** The following provisions shall apply to this Mortgage:

(a) **Benefits of Act.** The Lender shall have the benefit of all of the provisions of the Illinois Mortgage Foreclosure Law (the "Act"), including all amendments thereto which may become effective from time to time after the date hereof. In the event any provision of the Act which is specifically referred to herein may be repealed, Lender shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference.

(b) **Insurance.** Wherever provision is made in the Mortgage for insurance policies to bear mortgage charges or other loss payable clauses or endorsements in favor of the Lender, or to confer authority upon the Lender to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control use of insurance proceeds, from and after the entry of judgment of foreclosure, all such rights and powers of the Lender shall continue in the Lender as judgment creditor or mortgagee until confirmation of sale.

(c) **Protective Advances.** All advances, disbursements and expenditures made or incurred by the Lender before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by the Mortgage or by the Act (collectively "Protective Advances"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:

(i) all advances by the Lender in accordance with the terms of the Mortgage to: (A) preserve, maintain, repair, restore or rebuild the improvements upon the Mortgaged Property; (B) preserve the lien of the Mortgage or the priority thereof; or (C) enforce the Mortgage, as referred to in Subsection (b)(5) of Section 15-1302 of the Act;

(ii) payments by the Lender of: (A) principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance; (B) real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Mortgaged Property or any part thereof; (C) other obligations authorized by the Mortgage; or (D) with court approval, any other amounts in connection with other liens, encumbrances or

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interests reasonably necessary to preserve the status of title, as referred to in Section 15-1505 of the Act;

(iii) Advances by the Lender in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

(iv) attorneys' fees and other costs incurred: (A) in connection with the foreclosure of the Mortgage as referred to in Sections 15-1504(d)(2) and 15-1510 of the Act; (B) in connection with any action, suit or proceeding brought by or against the Lender for the enforcement of the Mortgage or arising from the interest of the Lender hereunder; or (C) in connection with the commencement, prosecution or defense of any other action related to the Mortgage or the Mortgaged Property;

(v) the Lender's fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b)(1) of Section 15-1508 of the Act;

(vi) expenses deductible from proceeds of sale as referred to in subsections (a) and (b) of Section 15-1512 of the Act;

(vii) expenses incurred and expenditures made by the Lender for any one or more of the following: (A) premiums for casualty and liability insurance paid by the Lender whether or not the Lender or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or mortgagee takes possession of the Mortgaged Property imposed by Subsection (c)(1) of Section 15-1704 of the Act; (B) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (C) payments deemed by the Lender to be required for the benefit of the Mortgaged Property or required to be made by the owner of the Mortgaged Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Mortgaged Property; (D) shares or common expense assessments payable to any association or corporation in which the owner of the Mortgaged Property is a member in any way affecting the Mortgaged Property; (E) costs incurred by the Lender for demolition, preparation for and completion of construction, as may be authorized by this Mortgage; and (F) payments deemed by the Lender to be required pursuant to any lease or other agreement for occupancy of the Mortgaged Property.

All Protective Advances shall be so much additional indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon

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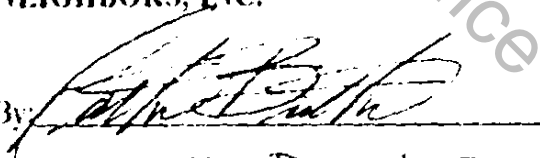
from the date of the advance until paid at the interest rate provided for in the Note. This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Subsection (b)(5) of Section 15-1362 of the Act. All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in: (A) determination of the amount of indebtedness secured by this Mortgage at any time; (B) the indebtedness found due and owing to the Lender in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purposes; (C) determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the Act; (D) application of income in the hands of any receiver or Lender in possession; and (E) computation of any deficiency judgment pursuant to Subsections (b)(2) and (3) of Section 15-1508 and Section 15-1511 of the Act.

(d) **Mortgagee in Possession.** In addition to any provision of this Mortgage authorizing the Lender to take or be placed in possession of the Mortgaged Property, or for the appointment of a receiver, the Lender shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Act, to be placed in possession of the Mortgaged Property or at its request to have a receiver appointed, and such receiver, or the Lender, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all rights, powers, immunities, and duties as provided for in Sections 15-1702 and 15-1703 of the Act.

(e) **Waiver of Redemption.** The Borrower acknowledges that the Mortgaged Property does not constitute agricultural real estate, as said term is defined in section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act. Pursuant to Section 15-1601(b) of the Act, the Borrower hereby waives any and all right of redemption.

WITNESS the due execution hereof on the day and year first above written.

WOODLAWN EAST COMMUNITY AND
NEIGHBORS, INC.

By: 
Its: Executive Director

ATTEST:

Secretary

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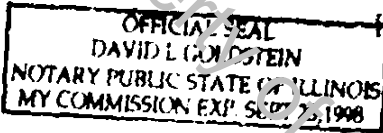
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ACKNOWLEDGEMENT

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

This instrument was acknowledged before me on 6/29, 1995 by
Mette Butler as the Ex. Director of Woodlawn East Community
and Neighbors, Inc.



By: David L. Goldstein
Notary Public

Seal: _____

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EXHIBIT A

Legal Description of the Real Estate

LOT 10 IN BLOCK 2 IN KETH'S SUBDIVISION OF
BLOCKS 1 AND 2 OF KETH'S SUBDIVISION THE
SOUTH WEST QUARTER OF THE SOUTH EAST
QUARTER OF SECTION 14, TOWNSHIP 38 NORTH,
RANGE 14, EAST OF THE THIRD PRINCIPAL
MERIDIAN, IN COOK COUNTY, ILLINOIS. ✓

Common Address: 6146 S. Kenwood, Chicago, Illinois ✓

PIN: 20-14-408-027 /

This document prepared by ad
Upon recording to be returned to:
STEVEN FRIEDMAN
SCHEFF HARRIN & WHITE
7200 SEARS Tower
Chicago, IL 60606



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EXHIBIT B

Permitted Encumbrances

1. Real Estate taxes not yet due and payable.
2. Covenants, conditions and restrictions established by Quit Claim Deed recorded December 30, 1994 as Document Number 04085915.
3. Proceedings pending in City of Chicago v. LaSalle Bank as Trustee under Trust Number 21364, 84 M1 408606.

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