

FIRST MORTGAGE AND SECURITY AGREEMENT

THIS FIRST MORTGAGE AND SECURITY AGREEMENT (hereinafter referred to as this "Mortgage") is made this 1st day of September, 1994, by and between CHICAGO TITLE AND TRUST, not personally but as Trustee ("Trustee") under the provisions of a Trust Agreement dated August 1, 1988, and known as Trust No. 1091757 and hereinafter referred to as "Mortgagor" and BANK OF AMERICA ILLINOIS, an Illinois state bank with its principal place of business at 231 South LaSalle Street, Chicago, Illinois (hereinafter referred to as "Mortgagee").

WITNESSETH

1. Definitions.

1.1 Wherever used in this Mortgage, "Mortgagor's Liabilities" means any and all of the following:

- (i) the payment of any and all monies, including, but not limited to, the payment, when due or declared due, of the principal sum thereof and interest thereon, now and/or hereafter owed or to become owing by Mortgagor to Mortgagee under and/or pursuant to the terms and provisions of that certain Secured Term Note (hereinafter referred to as the "Note") of even date herewith executed and delivered by Mortgagor to Mortgagee and payable to Mortgagee in the principal sum of Two Hundred Eighty Thousand Dollars (\$280,000.00) and which matures on August 31, 1999;
- (ii) the payment of any and all other debts, claims, obligations, demands, monies, liabilities and/or indebtedness (of any and every kind or nature) now and/or hereafter owing, arising, due or payable from Mortgagor to Mortgagee under and/or pursuant to the terms and provisions of this Mortgage; and,
- (iii) the payment of any and all other debts, claims, obligations, demands, monies, liabilities and/or indebtedness (of any and every kind or nature) now and/or hereafter owing, arising due or payable from Mortgagor to Mortgagee, howsoever evidenced, created, incurred, acquired or owing, whether primary, secondary, direct, contingent, fixed or otherwise, and arising under and/or pursuant to the terms and provisions of any other agreements, security agreements, assignments of leases and rents, instruments and/or documents now and/or hereafter executed and delivered by or for Mortgagor to Mortgagee (hereinafter referred to as the "Other Agreements").

1.2 Wherever used in this Mortgage, "Mortgagor's Obligations" means the prompt, full and faithful performance, discharge, compliance and observance by Mortgagor of each and

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every term, condition, warranty, representation, agreement, undertaking, covenant and provision to be performed, discharged, observed or complied with by Mortgagor contained in this Mortgage, the Note and/or in the Other Agreements.

1.3 Wherever used in this Mortgage, "Mortgaged Property" means any and all of the following:

- (i) all of the following described real estate, and all of the Mortgagor's estate, right, title and interest therein, situated, lying and being in or near the Village of Hickory Hills, County of Cook, State of Illinois, and legally described on Exhibit "A" attached hereto and made a part hereof and located at 9126 South Roberts Road, Hickory Hills, Illinois, together with all buildings, improvements, tenements, easements, hereditaments, and appurtenances now and/or at any time or times hereafter upon, belonging or otherwise appertaining to or situated on said real estate and all heretofore or hereafter roads, alleys, streets and other public ways abutting said real estate, whether before or after vacation thereof (hereinafter referred to as the "Premises");
- (ii) all present and future leases, agreements, tenancies, licenses and franchises of or from the Premises (such leases, agreements, tenancies, licenses and franchises hereinafter collectively referred to as "Leases"), in any way, manner or respect required, existing, used or usable in connection with the Premises or the management, maintenance, operation or business thereof, and all deposits of money as advance rent or for security under any or all of the Leases and Agreements and all guaranties of performance and/or payment thereunder;
- (iii) all present and future judgments, awards of damages and settlements made as a result or in lieu of any taking of the Premises and/or the Leases, or any part thereof, under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) thereof;
- (iv) all present and future apparatus, machinery, equipment, fixtures and articles of personal property of any and every kind and nature whatsoever now owned or hereafter acquired by the Mortgagor, and used, attached to, installed or located in or on the Premises, or required for use in or on or in connection with the Premises or the management, maintenance, operation or business thereof and all replacements thereof and accessions thereto (hereinafter referred to as the "Equipment"), including, but not limited to, any such item of Equipment now or at any time or times hereafter situated on the Premises and used to supply or otherwise deliver heat, gas, air conditioning, water, light, electricity, power, plumbing, refrigeration, sprinkling, ventilation, mobility, communication, incineration, recreation, laundry service and all other related or other such services (all of the immediately above mentioned

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items of Equipment being deemed to be a part of the Premises, whether physically attached thereto or not);

- (v) all present and future insurance policies in force or effect insuring the Premises, the Rents, the Leases or the Equipment;
- (vi) all proceeds of each and every of the foregoing; and
- (vii) One Hundred Percent (100%) of the entire beneficial interest and the power of direction in, to, and under Chicago Title and Trust, Trust No. 1091757 Trust Agreement dated August 1, 1988.

1.4 Wherever used in this Mortgage, the term "and/or" means one or the other or both, or any one or all of the things, events or persons or parties in connection with which the term is used.

2. Conveyance.

2.1 To secure the payment by Mortgagor of Mortgagor's Liabilities and the performance by Mortgagor of Mortgagor's Obligations, Mortgagor hereby does WARRANT, GRANT, GIVE, BARGAIN, CONFIRM, ASSIGN, PLEDGE, SET OVER, TRANSFER, SELL, CONVEY, REMISE, RELEASE AND OTHERWISE MORTGAGE to Mortgagee, its successors and assigns, forever, the Mortgaged Property for the purposes and uses set forth in this Mortgage.

2.2 In addition to the foregoing paragraph 2.1 hereof this Mortgage shall operate as and constitute a Security Agreement with respect to that portion of the Mortgaged Property constituting property or interests in property, whether real or personal, tangible or intangible, which are subject to the priority and perfection of security interest provisions of the Uniform Commercial Code or any similar and applicable law, statute, code or other governing body of law. Therefore, to secure the payment by Mortgagor of Mortgagor's Liabilities and the performance by Mortgagor of Mortgagor's Obligations, Mortgagor hereby grants to Mortgagee a security interest in the Mortgaged Property and Mortgagor does hereby set over, assign, and transfer to Mortgagee all of the Leases and Agreements and Rents subject to the terms and conditions of this Mortgage.

3. Covenants, Warranties and Representations.

3.1 Mortgagor covenants with and warrants and represents to Mortgagee as follows:

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- A.** Mortgagor promptly shall pay, or cause to be paid, when due or declared due, Mortgagor's Liabilities and promptly, fully and faithfully shall perform, discharge, observe and comply with each and every of Mortgagor's Obligations.
- B.** Mortgagor now has and hereafter shall maintain the standing, right, power and lawful authority to own the Mortgaged Property, to carry on the business of and operate the Mortgaged Property, to enter into, execute and deliver this Mortgage, the Note and the Other Agreements to Mortgagee, to encumber the Mortgaged Property to Mortgagee as provided herein or in the Other Agreements and to perform all of Mortgagor's Obligations and to consummate all of the transactions described in or contemplated by this Mortgage, the Note and the Other Agreements.
- C.** The execution, delivery and performance by Mortgagor of and under this Mortgage, the Note and the Other Agreements does not and will not constitute a violation of any applicable law and does not and will not conflict with or result in a default or breach of or under or an acceleration of any obligation arising, existing or created by or under any agreement, instrument, document, mortgage deed, trust deed, note, judgment, order, award, decree or other restriction to which Mortgagor or any of the Mortgaged Property is or hereafter shall become a party or by which Mortgagor or any of the Mortgaged Property is or hereafter shall become bound or any law or regulatory provision now or hereafter affecting Mortgagor or any of the Mortgaged Property.
- D.** The various financial and operating statements relating to the Mortgaged Property and the operation and business thereof heretofore delivered by or for Mortgagor to Mortgagee are correct, complete and accurate in all material respects, fairly present the financial conditions represented as of the dates and for the periods indicated and have been and shall be prepared in accordance with generally accepted accounting principles, consistently applied unless otherwise specifically indicated.
- E.** The various other data and information relating to the Mortgaged Property and the operation and business thereof heretofore and from time to time hereafter delivered by or for Mortgagor to Mortgagee are and shall be correct, complete and accurate in all material respects.
- F.** Mortgagor has duly filed and shall continue to timely file all federal, state and other governmental tax and similar returns which Mortgagor is required by law to file with respect to the Mortgaged Property and the operation and business thereof. All taxes and other sums which are shown to be payable under such returns have been and shall be timely and fully paid and

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Mortgagor shall maintain adequate reserves in amount to fully pay all such liabilities which hereafter may accrue.

- G.** (1) all of the Leases and Agreements are genuine, and in all respects what they purport to be, free of set-offs, counterclaims or disputes and valid and enforceable in accordance with their terms;
- (2) all parties to the Leases and Agreements have and shall have the capacity to contract thereunder; and,
- (3) except for security deposits provided for under the Leases and Agreements, and revealed by Mortgagor to Mortgagee in writing, no advance payments have been or shall be made thereunder.
- H.** There is no litigation, action, claim or proceeding pending or threatened which might, in any way, manner or respect, materially or adversely affect the Mortgaged Property, the operation or the business thereof, Mortgagee's encumbrances thereon, the collectability of the Note, the ability of Mortgagor to repay the Note or the financial condition of the Mortgaged Property or the operation or business thereof.
- I.** The Mortgaged Property now consists of and is in the same condition, ordinary wear and tear excepted, as it was when Mortgagee last inspected it.
- J.** Mortgagor and the Mortgaged Property possess and hold and shall maintain adequate properties, interests in properties, leases, licenses, franchises, rights and governmental and other permits, certificates, consents and approvals to conduct and operate the business of the Mortgaged Property. None of the foregoing contain or shall contain any term or condition that is materially burdensome to said business or different than those of the foregoing possessed or held by other parties conducting or operating a similar business.
- K.** There does not exist and hereafter there shall not arise any default or breach of or under any agreement, instrument or document for borrowed money by which Mortgagor or the Mortgaged Property is bound or obligated.
- L.** The location, existence and use of the Premises and the Equipment are and shall remain in compliance with all applicable laws, rules, ordinances and regulations, including, but not limited to, building and zoning laws, and all covenants and restrictions of record.
- M.** Mortgagor is and shall remain in peaceful possession of and will forever warrant and defend the Mortgaged Property from and against any and all claims thereon or thereto of any and all parties.

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- N. Mortgagor shall save and hold Mortgagee harmless of and from any and all damage, loss, cost and expense, including, but not limited to, reasonable attorneys' fees, costs and expenses, incurred by reason of or arising from or on account of or in connection with any suit or proceeding, threatened, filed and/or pending, in or to which Mortgagee is or may become or may have to become a party by reason of or arising from or on account of or in connection with Mortgagor's Liabilities, this Mortgage, the Note or the Other Agreements.
- O. Mortgagor, within ten (10) days after request by Mortgagee therefor, will certify, in writing, to Mortgagee, or to any proposed assignee of this Mortgage, the amount of principal and interest then owing and unpaid under the Note and whether Mortgagor has or asserts any offsets or defenses thereto.
- P. Mortgagor, immediately upon request by Mortgagee, at Mortgagor's sole expense, will or will cause to be made, executed and delivered to Mortgagee, in form and substance acceptable to Mortgagee, all "Documents" (as hereinafter defined) that Mortgagee is advised are and/or deems reasonably necessary or appropriate to evidence, document or conclude the transactions described in and/or contemplated by this Mortgage, the Note or the Other Agreements or required to perfect or continue perfected, as valid encumbrances, the encumbrances granted herein or in the Other Agreements by Mortgagor to Mortgagee upon the Mortgaged Property. As used in this Paragraph, "Documents" means any mortgage, deed of trust or similar instrument, assignment of leases, assignment of rents, note, security agreement, financing statement, assignment of insurance, loss payable clause, mortgage title insurance policy, letters of opinion, waiver letter, estoppel letter, consent letter, non-offset letter, insurance certificate, appraisal, survey and any other similar such agreements, instruments or documents.

3.2 Mortgagor covenants with and warrants and represents to Mortgagee that Mortgagor is lawfully seized, possessed and the owner of and has good and indefeasible, marketable fee-simple title to the Mortgaged Property, free and clear of all liabilities, claims, debts, exceptions, security interests, assessments, charges, impositions, levies, taxes, liens and all other types of encumbrances (hereinafter referred to as the "Encumbrances") except

- (A) the Encumbrances of Mortgagee;
- (B) those Encumbrances described on Chicago Title Insurance Company Commitment No. _____ as revised on the disbursement date;
- (C) existing Leases and Agreements to tenants in possession of portions of the Premises; and

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(D) Assignment of Beneficial Interest in connection with a Mortgage.

3.3 Mortgagor covenants with and warrants and represents to Mortgagee as follows:

- A. Mortgagor will not change the use or character of or abandon the Mortgaged Property and at all times hereafter shall keep the Mortgaged Property in good condition and repair and will not commit or suffer waste and will make all necessary repairs, replacements and renewals (including the replacement of any items of the Equipment) to the Mortgaged Property so that the value and operating efficiency thereof shall at all times hereafter be maintained and preserved. Mortgagor shall not remove any fixture or demolish any building or improvement located in or on the Premises without the prior written consent of Mortgagee. Mortgagor shall pay for and complete, within a reasonable time, any building or improvement at any time in the process of erection upon the Premises, shall refrain from impairing or diminishing the value of the Mortgaged Property and shall make no material alterations to the Mortgaged Property which in the opinion of the Mortgagee diminishes its value, and promptly shall repair, restore or rebuild any building or improvement now or hereafter on the Premises which may become damaged or destroyed provided that Mortgagor is permitted to apply to such repair, restoration or rebuilding any insurance proceeds payable as a result of such damage or destruction. Mortgagor shall comply with all requirements of law and all municipal ordinances governing the Mortgaged Property and the use thereof. Mortgagor shall permit Mortgagee, and its agents, upon demand, access to and to inspect the Mortgaged Property at all reasonable times.
- B. Mortgagor promptly shall pay and discharge, as and when due and payable, before any penalty attaches, all charges, impositions, levies, assessments and taxes (whether general, special or otherwise), water charges, sewer service charges and all other municipal or governmental charges, impositions, levies, assessments and taxes of any kind or nature that may be at any time levied, assessed or imposed upon or against the Mortgaged Property, or any part thereof, and shall deliver to Mortgagee duplicate receipts evidencing payment thereof at least thirty (30) days before delinquency. To prevent default hereunder, Mortgagor may pay in full, under protest, and in the manner provided by statute, any charge, imposition, levy, tax or assessment which Mortgagor may desire to contest. If Mortgagee is required by legislative enactment or judicial decision to pay the United States of America, the State of Illinois or any political subdivision thereof, any charge, imposition, assessment, levy or tax on the Mortgaged Property (or on any interest therein), this Mortgage, the Other Agreements or Mortgagor's Liabilities, all of Mortgagor's Liabilities shall become and be due and payable, at the election of Mortgagee, thirty (30) days after the mailing of notice of such election to Mortgagor; provided, however, said election and right to elect will be unavailing and this Mortgage, the Note and the Other Agreements will be

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and remain in full force and effect as though said law had not been enacted or said decision had not been rendered if, notwithstanding such law or decision, Mortgagor lawfully may pay such charge, imposition, assessment, levy or tax to or for Mortgagee and does, in fact, pay, when payable, so much thereof as, taken with interest as aforesaid, does not exceed the maximum amount of interest permitted by applicable law. Notwithstanding the foregoing, Mortgagor shall have no obligation to pay any income or profit tax that is or may be imposed upon Mortgagee as a consequence of its general business activities, including the receipt of interest or other charges under the Note, this Mortgage and the Other Agreements. If at any time the United States of America or any other governmental entity shall require internal revenue stamps to be affixed to this Mortgage, the Note or the Other Agreements, Mortgagor will pay for the same, together with any interest or penalties imposed in connection therewith.

- C. Mortgagor shall keep the Mortgaged Property free and clear of all Encumbrances (including, but not limited to, mechanics liens and other similar liens or claims (or liens) of any and every kind and nature except those described in Paragraph 3.2 above, shall promptly pay or cause to be paid, as and when due and payable or when declared due and payable, any indebtedness which may become or be secured by such an Encumbrance and, immediately upon request by Mortgagee, shall deliver to Mortgagee evidence satisfactory to Mortgagee of the payment and discharge thereof. To prevent default hereunder, Mortgagor may indemnify Mortgagee, by suitable performance bond or title insurance endorsement, or by another means determined solely by and acceptable to Mortgagee, against loss by reason of such an Encumbrance which Mortgagor may desire, in good faith, to contest. If, in accordance with the terms of this Mortgage, Mortgagee makes payment of any such Encumbrance, Mortgagee shall be subrogated to the rights of such claimant, notwithstanding that the Encumbrance may be released of record.
- D. Without the prior written consent of Mortgagee, Mortgagor shall not, at any time or times hereafter, pledge, hypothecate, mortgage, assign, grant a security interest in or otherwise encumber all or any portion of the Mortgaged Property or Mortgagor's interest therein, nor shall any beneficiary or beneficiaries of Mortgagor pledge, hypothecate, mortgage, assign, grant a security interest in or otherwise encumber all or any portion of its, his or their beneficial interest in Mortgagor. Without the prior written consent of Mortgagee, Mortgagor shall not sell or otherwise transfer all or any portion of the Mortgaged Property or Mortgagor's interest therein, nor shall any beneficiary or beneficiaries of Mortgagor sell or otherwise transfer all or any portion of its, his or their beneficial interest in Mortgagor. Mortgagor acknowledges that Mortgagee has advanced and loaned the sums secured by this Mortgage in reliance upon Mortgagor's creditworthiness, experience in real estate operations and ability to perform and discharge Mortgagor's

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Liabilities in a proper and timely fashion, therefore Mortgagee, in its sole discretion, may deliver or withhold any such consent based upon Mortgagee's determination, to its sole satisfaction, of the creditworthiness, experience in real estate operations and ability of the proposed assignee, transferee or purchaser to satisfy, perform and discharge Mortgagor's Liabilities in a proper and timely fashion and manner.

- E. All present and future items of fixtures, equipment, furnishings or other tangible personal property owned by Mortgagor (whether or not constituting a part of the Mortgaged Property) related or necessary to or used or usable in connection with any present or future building or improvement on the Premises, or the operation or business thereof, are and will be owned free and clear of all Encumbrances except those Encumbrances described in Paragraph 3.2 above.
- F. With respect to the Mortgaged Property and the operation and business thereof, Mortgagor will keep or cause to be kept proper books and records, prepared in accordance with generally accepted accounting principals consistently applied. Mortgagee shall have the right to examine said books and records at any time or times hereafter upon demand, but only during customary business hours. Within ninety (90) days after the end of each fiscal year hereafter of the operation and business of the Mortgaged Property, Mortgagor shall deliver to Mortgagee an annual operating statement of income and expenses, an annual balance sheet of assets and liabilities of said operation and business for the fiscal year just ended, and a statement of changes in financial position for the preceding fiscal year, which statements must be signed and certified as true, correct and accurate by the chief financial officer of Mortgagor or other person acceptable to Mortgagee. Statements are to be prepared in conformity with generally accepted accounting principals, consistently applied, and must at a minimum be prepared on a compilation basis by a licensed Certified Public Accountant.

3.4 If Mortgagor, ten (10) days after written demand from Mortgagee, shall neglect or refuse to keep the Mortgaged Property in good operating condition and repair or to replace or maintain the same as herein agreed, to pay the premiums for the insurance which is required to be maintained hereunder, to pay and discharge all Encumbrances as herein agreed or otherwise default in the performance of Mortgagor's Obligations, Mortgagee, at its sole election, may cause such repairs or replacements to be made, obtain such insurance, pay such Encumbrances or perform such Obligations. Any amounts paid by Mortgagee in taking such action, together with interest thereon at the rate provided in the Note (upon monies due after a default thereunder) from the date of Mortgagee's payment thereof until repaid by Mortgagor to Mortgagee, shall be due and payable by Mortgagor to Mortgagee upon demand, and, until paid, shall constitute a part of Mortgagor's Liabilities secured by this Mortgage. Notwithstanding the foregoing, such advances by Mortgagee shall not be deemed to relieve Mortgagor from any default hereunder or impair any right or remedy

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consequent thereon. The exercise of the right to take such action shall be optional with Mortgagee and not obligatory upon Mortgagor and Mortgagor shall not in any case be liable to Mortgagee for failure or refusal to exercise any such right. In making any payments pursuant to the exercise of any such right, Mortgagee may rely upon any bills delivered to it by Mortgagor or any such payee and shall not be liable for any failure to make payments in any amounts other than as set forth in any such bills.

4. Taxes, Insurance and Condemnation.

- 4.1 A. Mortgagor, at all times, shall keep and maintain the Mortgaged Property fully insured (without coinsurance) against loss or damage by, or abatement of rental income resulting from, fire, flood, earthquake, lightning, malicious mischief and such other hazards as are now or hereafter included in so-called "Extended Coverage" and against such other hazards, casualties and contingencies as Mortgagee, from time to time, may require in companies, form, amounts and for such periods as is satisfactory to Mortgagee, but, in any event, for not less than one hundred percent (100%) of the full replacement cost of the buildings and other structures on the land described in Exhibit "A" hereto, without deduction for depreciation, including, without limitation, comprehensive public liability insurance against death, bodily injury and property damage in an amount not less than Two Million Dollars (\$2,000,000.00) and rent or business interruption insurance in favor of Mortgagee in an amount equal to the greater of: (1) six (6) months gross rent from the Mortgaged Property, or (2) one (1) year's debt service coverage on the Note at the interest rate stated therein; and workman's compensation liability insurance in forms and amounts satisfactory to Mortgagee. All such policies and renewals thereof (hereinafter referred to as the "Policies") shall contain, in form and substance acceptable to Mortgagee, standard mortgagee loss payable clauses naming Mortgagee as "First Mortgagee", as well as a standard waiver of subrogation endorsement and shall be delivered, as issued, to Mortgagee, with premiums therefor paid in full by Mortgagor. All Policies shall provide that they are non-cancelable by the insurer without first giving at least thirty (30) days prior written notice to Mortgagee of any intended cancellation. Mortgagor will give immediate written notice to Mortgagee of any loss or damage to the Mortgaged Property caused by any casualty. In case of Policies about to expire, Mortgagor will deliver to and deposit with Mortgagee renewal policies not less than thirty (30) days prior to the respective dates of expiration. Mortgagor will deliver and deposit with Mortgagee receipts for the payment of the current annual premiums on all Policies. In the event of foreclosure of this Mortgage or assignment hereof by Mortgagee or transfer of title to the Mortgaged Property in extinguishment of Mortgagor's Liabilities, all right, title and interest of Mortgagor in and to any Policies then in force shall pass to the purchaser, grantee or assignee.

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- B. 1.** Full power is hereby conferred on Mortgagee:
- (a) to reasonably settle and compromise all claims under all Policies;
 - (b) to demand, receive and receipt for all monies becoming due and/or payable under all Policies;
 - (c) to execute, in the name of Mortgagor or in the name of Mortgagee, any proofs of loss, notices or other instruments in connection with all claims under all Policies; and
 - (d) to assign all Policies to any holder of Mortgagor's Liabilities or to the grantee of the Mortgaged Property in the event of the foreclosure of this Mortgage or other transfer of title to the Mortgaged Property.
- 2.** In the event of payment under any of the Policies, the proceeds of the Policies shall be paid by the insurer to Mortgagee and Mortgagee shall apply such proceeds, wholly or partially, after deducting all costs of collection, including reasonable attorneys' fees,
- (a) toward the alteration, reconstruction, repair or restoration of the Mortgaged Property or any portion thereof, provided no Event of Default exists hereunder; or at Mortgagee's option, and in its sole discretion, if an Event of Default then exists hereunder,
 - (b) as a payment on account of Mortgagor's Liabilities, whether or not then due or payable;

- 4.2 A.** Upon the request of the Mortgagee, Mortgagor shall deposit with Mortgagee on the tenth (10th) day of each month hereafter until Mortgagor's Liabilities are fully paid, a sum equal to one-twelfth (1/12) of one hundred ten percent (110%) of (i) the total annual impositions, levies, taxes and assessments arising with respect to the Mortgaged Property for the most recent ascertainable tax year and (ii) the total amount of annual premiums for all Policies required to be obtained and maintained by Mortgagor pursuant to this Mortgage with respect to the Mortgaged Property. Subject to the provisions of this Paragraph and provided that Mortgagor is not then in default in the timely payment of any installment of principal, interest or other monies due or declared due under the Note and an Event of Default does not exist under this Mortgage, or the Other Agreements, Mortgagee shall pay, when and to whom due and payable under applicable contracts or law, to and including the date upon which the final installment payment of principal and

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interest on the Note is due and payable, all of the aforesaid impositions, levies, taxes and assessments. Notwithstanding the foregoing, Mortgagee does not hereby assume any of Mortgagor's Obligations under said contracts or laws to make such payments and nothing contained herein, in the Note or the Other Agreements shall require Mortgagee to perform any such obligations of Mortgagor except for the making of the aforesaid payments in accordance with and subject to the above specified terms. Upon occurrence of a default under the Note, this Mortgage, or the Other Agreements, Mortgagee shall not be obligated to make such payments, but, at its sole election and in its sole discretion, may make any or all of such payments.

- B.** If the deposits required by Sub-Paragraph A above and, if applicable, Sub-Paragraphs C and D below, are insufficient to pay the impositions, levies, taxes and/or assessments and/or premiums for which they are provided, on or before thirty (30) days before the same shall become due and payable Mortgagor shall deposit with Mortgagee such additional monies as are necessary to pay, in full, such obligations.
- C.** Upon the request of the Mortgagee, Mortgagor, concurrently with the disbursement of the loan evidenced by the Note, shall deposit with Mortgagee an amount of money, which together with the aggregate of the monthly deposits to be made pursuant to Sub-Paragraph A(i) above, shall be sufficient to pay, in full, the total annual impositions, levies, taxes and assessments estimated by Mortgagee to become due and payable with respect to the Mortgaged Property for the current tax year not yet due and payable. Mortgagee shall hold such deposit without interest and shall use the same to pay, when due, any installments of such obligations (general, special or otherwise) next coming due.
- D.** Upon the request of the Mortgagee, Mortgagor, concurrently with the disbursement of the loan evidenced by the Note, shall deposit with Mortgagee an amount of money, which together with the aggregate of the monthly deposits to be made pursuant to Sub-Paragraph A(ii) above becoming due prior to the date on which the next annual insurance premium payments become due and payable, shall equal one hundred fifteen percent (115%) of the most recent total annual insurance premium payments.
- E.** Upon the occurrence of an Event of Default hereunder, Mortgagee, at its option and in its sole discretion, may apply any monies held pursuant to Sub-Paragraph A, B, C and D above on account of any of Mortgagor's Liabilities, in such order or priority as Mortgagee may elect.
- F.** Upon payment, in full, of Mortgagor's Liabilities, Mortgagee shall deliver any remaining of the aforesaid deposits to Mortgagor or the then owner of the Mortgaged Property.

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- G. All of the aforesaid deposits hereby are pledged, as additional security for the payment of Mortgagor's Liabilities (and for such purpose, Mortgagor hereby grants to Mortgagee a security interest therein), to be applied by Mortgagee for the purposes hereinabove set forth and shall not be subject to the control of Mortgagor; provided, however, that Mortgagee shall not be liable for failure to pay, when due, any such impositions, levies, taxes or assessments or premiums unless Mortgagor, prior to the occurrence of an Event of Default, shall have requested Mortgagee, in writing, to pay the same and delivered to Mortgagee appropriate evidence of bills therefor.
- 4.3 A. All awards now or hereafter made by any public or quasi-public authority to or for the benefit of Mortgagor in any way, manner or respect affecting, arising from or relating to the Mortgaged Property, or any portion thereof, by virtue of an exercise of the right of eminent domain by such authority (including, but not limited to, any award for taking of title, possession or right of access to a public way, or for any change of grade of streets affecting the Mortgaged Property) hereby are assigned to the Mortgagee as additional security for the payment of Mortgagor's Liabilities (and for such purpose, Mortgagor hereby grants to Mortgagee a security interest therein);
- B. Mortgagee shall and hereby is authorized, directed and empowered to collect and receive the proceeds of any such awards from the authorities making the same and to give proper receipts therefor (in Mortgagor's name, in Mortgagee's name or in both names), and may, in its sole and absolute discretion, use such proceeds for any one or more of the following purposes:
1. to apply the same, or any part thereof, to Mortgagor's Liabilities, whether or not then matured and without affecting the amount or time of subsequent installment payments required to be made by Mortgagor to Mortgagee under the Note;
 2. to use the same, or any part thereof, to satisfy, perform or discharge any of Mortgagor's Obligations;
 3. to use the same, or any part thereof, to replace, repair or restore any or all of the Mortgaged Property to a condition satisfactory to Mortgagee; or
 4. to release the same to Mortgagor.
- C. Mortgagor, immediately upon request by Mortgagee, shall make, execute and deliver and/or cause to be made, executed and delivered to and/or for the benefit of Mortgagee any and all assignments and other instruments sufficient to assign, and cause the payment directly to Mortgagee of, all such awards,

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free and clear of all Encumbrances except those Encumbrances described in Paragraph 3.2 above. Notwithstanding any taking by eminent domain, alteration of the grade of any street or other injury to or decrease in value of the Mortgaged Property by any public or quasi-public authority or corporation, Mortgagor shall continue to pay all of Mortgagor's Liabilities, as and when due and payable, until any such award or payment shall have been actually received by Mortgagee, and any reduction in Mortgagor's Liabilities resulting from the application by Mortgagee of such award or payment as herein set forth shall be deemed to take effect only on the date of such receipt. If, prior to the receipt by Mortgagee of such award or payment, the Mortgaged Property shall have been sold on foreclosure of this Mortgage, Mortgagee shall have the right to receive such award or payment to the extent of any deficiency found to be due upon such sale, with legal interest thereon, and of the reasonable attorneys' fees, costs, expenses and disbursements incurred by Mortgagee in connection with the collection of such award or payment.

5. Leases and Rents.

5.1 To secure the obligations of Mortgagor under the Note, this Mortgage and any other of Mortgagor's Obligations, Mortgagee shall have the right to collect all of the Rents arising under any lease or tenancy of any portion of the Premises and/or renewals thereof. So long as there shall not have occurred an Event of Default under this Mortgage, Mortgagor shall have the right to collect all of the Rents under any other leases including, without limitation, all leases now or hereafter covering any part of the Premises, or renewals thereof, and shall hold or cause the same to be held, in trust, to be applied first to the payment of all impositions, levies, taxes, assessments and other charges upon the Mortgaged Property, second to the cost of the maintenance of insurance policies upon the Mortgaged Property required hereby, third to the maintenance and repairs required hereby and lastly to the payment of Mortgagor's Liabilities then due and payable, before using any part of such Rents for any other purposes.

5.2 At all times, any of Mortgagee's agents shall have the right to verify the validity, amount or any other matter relating to any or all of the Leases, by mail, telephone, telegraph or otherwise, in the name of Mortgagor, Mortgagee, a nominee of Mortgagee or in any or all of said names.

5.3 Unless Mortgagee notifies Mortgagor thereof in writing that it dispenses with any one or more of the following requirements, Mortgagor shall:

- (i) promptly upon Mortgagor's receipt or learning thereof, inform Mortgagee, in writing, of any assertion of any claims, offsets or counterclaims affecting or relating to the Premises or any direct or contingent obligor on this Mortgage;

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- (ii) not permit or agree to any material extension, compromise or settlement or make any material change or modification of any kind or nature of or with respect to any agreement affecting or relating to the Premises or the terms thereof outside the ordinary course of Mortgagor's business; and,
- (iii) promptly upon Mortgagor's receipt or learning thereof, furnish to and inform Mortgagee of all material adverse information relating to or affecting the financial condition of any obligor on this Mortgage.

5.4 Within fifteen (15) days after demand therefor by Mortgagee, Mortgagor shall deliver to Mortgagee, in form and substance acceptable to Mortgagee, a detailed aged trial balance of all Leases and such other matters and information relating thereto as Mortgagee may request.

- 5.5
- A. Mortgagor shall deliver to Mortgagee copies of the originals of the Leases and Agreements, with appropriate endorsement and/or other specific evidence of assignment thereto to Mortgagee - which endorsement and/or assignment shall be in form and substance acceptable to Mortgagee.
 - B. Mortgagee, then or at any time or times thereafter, at its sole election, without notice thereof to Mortgagor, may notify any or all of the obligors of the Leases and Agreements that the Leases and Agreements have been assigned to Mortgagee and Mortgagee (in its name, in the name of Mortgagor or in both names) may direct said obligors thereafter to make all payments due from them under the Leases directly to Mortgagee.
 - C. Mortgagor irrevocably shall direct all obligors of the Leases and Agreements then and thereafter to make all payments then and thereafter due from them under the Leases directly to Mortgagee.
 - D. Mortgagee shall have the right at any time or times thereafter, at its sole election, without notice thereof to Mortgagor, to enforce the terms of the Leases and Agreements and obtain payment of and collect the Rents, by legal proceedings or otherwise, in the name of Mortgagor, Mortgagee or in both names.
 - E. Mortgagor, irrevocably, hereby designates, makes, constitutes and appoints Mortgagee (and all persons designated by Mortgagee) as Mortgagor's true and lawful attorney and agent-in-fact, with power, without notice to Mortgagor and at such time or times thereafter as Mortgagee, at its sole election, may determine, in the name of Mortgagor, Mortgagee or in both names:
 - (a) to demand payment of the Rents and performance of the Leases and Agreements;

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- (b) to enforce payment of the Rents and performance of the Leases and Agreements, by legal proceedings or otherwise;
 - (c) to exercise all of the Mortgagor's rights, interests and remedies in and under the Leases and Agreements and to collect the Rents;
 - (d) to settle, adjust, compromise, extend or renew the Leases and/or the Rents;
 - (e) to settle, adjust or compromise any legal proceeding brought to collect the Rents or obtain performance of the Lessees;
 - (f) to take control, in any manner, of the Rents;
 - (g) to prepare, file and sign Mortgagor's name on any Proof of Claim in bankruptcy, or similar document in a similar proceeding, against obligors of the Leases and Agreements;
 - (h) to endorse the name of Mortgagor upon any payments or proceeds of the Rents and to deposit the same to the account of Mortgagee; and,
 - (i) to do all acts and things necessary, in Mortgagee's reasonable discretion, to carry out any or all of the foregoing.
- F. All of the foregoing payments and proceeds received by Mortgagee shall be utilized by Mortgagee, for any one or more of the following purposes:
- (a) to be held by Mortgagee as additional collateral for the payment of Mortgagor's Liabilities;
 - (b) to be applied to Mortgagor's Liabilities, in such manner and fashion and to such portions thereof as Mortgagee, at its sole election, shall determine;
 - (c) to be applied to such obligations of Mortgagor or the Mortgaged Property or the operation or business thereof as Mortgagee, at its sole election, shall determine appropriate or warranted under the then existing circumstances; or
 - (d) to be remitted to Mortgagor.

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6. Default.

6.1 The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Mortgage:

- A.** Failure of Mortgagor to pay, within five (5) days of written notice that any of Mortgagor's Liabilities are due or declared due.
- B.** Failure of Mortgagor, within thirty (30) days after notice and demand by Mortgagee, fully and faithfully to satisfy, perform, discharge, observe and comply with each and every of Mortgagor's Obligations, other than those set forth in Subparagraph 6.1-A above and Subparagraphs 6.1-C through J below, or if such Mortgagor's obligations cannot reasonably be cured, performed or satisfied within thirty (30) days, failure of Mortgagor to commence to satisfy, perform, discharge, observe and comply with such obligation within thirty (30) days and diligently and continuously pursue such said matter until complete.
- C.** A petition under any Section or Chapter of the Bankruptcy Reform Act of 1978 or any similar law or regulation is filed by or against Mortgagor, or any beneficiary of Mortgagor (and in the case of an involuntary petition in bankruptcy, such petition is not discharged within 30 days of its filing), or a custodian, receiver or trustee for any of the Mortgaged Property is appointed, or if Mortgagor or any beneficiary of Mortgagor makes an assignment for the benefit of creditors, or if it is or any of them are adjudged insolvent by any state or federal court of competent jurisdiction, or an attachment or execution is levied against any of the Mortgaged Property.
- D.** If a notice of lien, levy or assessment is filed of record with respect to the Mortgaged Property or with respect to all or any of Mortgagor's assets by the United States or any department, agency or instrumentality thereof or by any state, county, municipal or other governmental agency, or if any taxes or debts owing at any time or times hereafter to any one of them becomes a lien or encumbrance upon the Mortgaged Property or any other of Mortgagor's assets and the same is not released within thirty (30) days after the same becomes a lien or encumbrance;
- E.** If Mortgagor or any beneficiary of Mortgagor (or general partner thereof) is enjoined, restrained or in any way prevented by court or administrative agency order from conducting all or any material part of its business affairs or if an application is made by Mortgagor or any beneficiary of Mortgagor for the appointment of a receiver, trustee or custodian for the Mortgaged Property or any other of Mortgagor's (or its beneficiary's or general partner thereof's) assets.

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- F. If Mortgagor is in default in the payment of indebtedness in excess of Twenty-five Thousand Dollars (\$25,000) (other than Mortgagor's Liabilities) and such default is declared and is not cured within the time, if any, specified therefor in any agreement governing the same;
- G. The death or incompetency of any individual Mortgagor.
- H. The occurrence of a material default or Event of Default under any agreement, instrument and/or document executed and delivered by any Guarantor to Mortgagee; or
- I. The occurrence of a material default or an Event of Default under any of the Other Agreements.
- J. If any material statement, report or certificate made or delivered by Mortgagor, or any of its officer, employees, agents, or beneficiaries, to Mortgagee is not true and correct.

6.2 Upon the occurrence of an Event of Default, Mortgagee, after notice and demand insofar as required hereby, in its sole discretion and at its sole election, without notice of such election, and without further demand, may do any one or more of the following:

- A. Declare all of Mortgagor's Liabilities immediately due and payable and collect the same at once by foreclosure or otherwise, without notice of broken covenant or condition (and in case of such default and the exercise of such option, Mortgagor's Liabilities shall bear interest, from the date of such default, at a rate per annum equal to the highest rate set forth in the Note (upon monies due after a default thereunder)).
- B. Either with or without process of law, forcibly or otherwise, enter upon and take immediate possession of the Mortgaged Property, expel and remove any persons, goods or chattels occupying or upon the same, receive all Rents, and issue receipts therefor, manage, control and operate the Mortgaged Property as fully as Mortgagor might do if in possession thereof, including, without limitation, the making of all repairs and replacements deemed necessary by Mortgagee and the leasing of the same, or any part thereof, from time to time, and, after deducting all reasonable attorneys' fees and all costs and expenses incurred in the protection, care, maintenance, management and operation of the Mortgaged Property, apply the remaining net income, if any, to Mortgagor's Liabilities. At the option of Mortgagee, such entry and taking of possession shall be accomplished either by actual entry and possession or by written notice served personally upon or sent by registered or certified mail to the Mortgagor at the address of Mortgagor last appearing on the records of Mortgagee. Mortgagor agrees to surrender possession of the Mortgaged Property to Mortgagee immediately upon the occurrence of an Event of

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Default. If Mortgagor shall remain in physical possession of the Mortgaged Property, or any part thereof, after any such default, such possession shall be as a tenant of Mortgagee, and Mortgagor agrees to pay to Mortgagee, or to any receiver appointed as provided below, after such default, a reasonable monthly rental for the Mortgaged Property, or the part thereof so occupied by the Mortgagor, to be applied as provided above in the first sentence of this Subparagraph, and to be paid in advance on the first day of each calendar month, and, in default of so doing, Mortgagor may be dispossessed by the usual summary proceedings. In the event Mortgagor shall so remain in possession of all, or any part of, the Mortgaged Property, said reasonable monthly rental shall be in amounts established by Mortgagee in its sole discretion. This covenant shall be effective irrespective of whether any foreclosure proceeding shall have been instituted and irrespective of any application for, or appointment of, a receiver.

- C. File one or more suits at law or in equity for the foreclosure of this Mortgage or to collect Mortgagor's Liabilities. In the event of the commencement of any such suit by Mortgagee, Mortgagee shall have the right, either before or after sale, without notice and without requiring bond (notice and bond being hereby waived), without regard to the solvency or insolvency of Mortgagor at the time of application and without regard to the then value of the Mortgaged Property or whether the same is then occupied, to make application for and obtain the appointment of a receiver for the Mortgaged Property. Such receiver shall have the power to collect the Rents during the pendency of such suit and, in case of a sale and a deficiency, during the full statutory period of redemption, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect the Rents, and shall have all other powers which may be necessary or usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property. The court before which such suit is pending may from time to time authorize the receiver to apply the net income in his hands in payment, in whole or in part, of Mortgagor's Liabilities. In case of a sale pursuant to foreclosure, the Premises may be sold as one parcel.
- D. Exercise any other remedies or rights permitted or provided under or by the laws or decisions of the State of Illinois (including all rights of a secured party under the Uniform Commercial Code of the State of Illinois), accruing to a mortgagee and/or secured party upon a default by a mortgagor and/or debtor.
- E. Sell the Mortgaged Property, either in whole or in parcels, at public auction pursuant to the Statutes of the State of Illinois, and apply the proceeds of such sale in the manner set forth in Section 6.5 hereof.

6.3 In the event of an Event of Default under this Mortgage, there will be added to and included as part of Mortgagor's Liabilities (and allowed in any decree for sale of the

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Mortgaged Property or in any judgment rendered upon this Mortgage or Note) the following: the costs, charges, expenses and attorneys' fees specified in Paragraph 6.4 below; any and all expenditures which may be paid or incurred by or on behalf of Mortgagee for appraisers' fees, documentary and expert evidence, stenographers' charges, publication costs, fees and expenses for examination of title, title searches, guaranty policies, Torrens certificates and similar data and assurances with respect to the title to the Mortgaged Property; premiums for all policies of builder's risk insurance and hazard insurance; all prepayment or like premiums, if any, provided for in the Note; and all other fees, costs and expenses which Mortgagee deems necessary to prosecute any remedy it has under this Mortgage, or to inform bidders at any sale which may be had pursuant to its rights hereunder of the true condition of title or of the value of the Mortgaged Property. All such costs, charges, expenses, fees and other expenditures shall be a part of Mortgagor's Liabilities, secured by this Mortgage, payable on demand and shall bear interest at the highest rate set forth in the Note (upon monies due after a default thereunder) from the date of Mortgagee's payment thereof until repaid to Mortgagee.

6.4 If foreclosure proceedings are instituted upon this Mortgage, or if Mortgagee shall be a party to, shall intervene, or file any petition, answer, motion or other pleading in any suit or proceeding relating to this Mortgage, the Note, the Other Agreements, or Mortgagor's Liabilities, or if Mortgagee shall incur or pay any expenses, costs, charges or attorneys' fees by reason of the employment of counsel for advice with respect to this Mortgage, the Note, the Other Agreements, or Mortgagor's Liabilities, and whether in court proceedings or otherwise, such expenses and all of Mortgagee's reasonable attorneys' fees shall be part of Mortgagor's Liabilities, secured by this Mortgage, payable on demand and shall bear interest at the rate provided for in the Note (upon monies due after a default thereunder) from the date of Mortgagee's payment thereof until repaid to Mortgagee.

6.5 The proceeds of any foreclosure sale of the Mortgaged Property shall be applied and distributed, first, on account of the fees, charges, costs and expenses described in Paragraph 6.3 above, second, to the balance of Mortgagor's Liabilities in the order of late charges, accrued and unpaid interest and then the balance to principal, and third, the surplus, if any, to Mortgagor.

6.6 In the event of the commencement of judicial proceedings to foreclose this Mortgage, Mortgagor, on behalf of itself, its successors and assigns, and each and every person it may legally bind acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage does hereby;

- (i) expressly waive any and all rights of appraisalment, valuation, stay, extension and (to the extent permitted by law) redemption from sale under any order or decree of foreclosure of this Mortgage;
- (ii) agree that when sale is had under any decree of foreclosure of this Mortgage, upon confirmation of such sale, the master in chancery or other officer making such sale, or his successor in office, shall be and is authorized

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immediately to execute and deliver to purchaser at such sale a deed conveying the Mortgaged Property, showing the amount paid therefor, or if purchased by the person in whose favor the order or decree is entered, the amount of his bid therefor.

6.7 Mortgagee shall have the right from time to time to sue for any sums, whether interest, principal or any other sums required to be paid by or for the account of Mortgagor under the terms of this Mortgage or the Note, as the same become due under the Note, or any other of Mortgagor's Liabilities, as the same shall be due and without prejudice to the right of the Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by the Mortgagor existing at the time such earlier action was commenced.

6.8 No right or remedy of Mortgagee hereunder is exclusive of any other right or remedy hereunder or now or hereafter existing at law or in equity, but is cumulative and in addition thereto and the holder of the Note may recover judgment thereon, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting or affecting or impairing the security or any right or remedy afforded by this Mortgage. No delay in exercising, or omission to exercise, any such right or remedy will impair any such right or remedy or will be construed to be a waiver of any default by Mortgagor hereunder, or acquiescence therein, nor will it affect any subsequent default hereunder by Mortgagor of the same or different nature. Every such right or remedy may be exercised independently or concurrently, and when and so often as may be deemed expedient by Mortgagee. No terms or conditions contained in this Mortgage or the Note may be waived, altered or changed except as evidenced in writing, signed by Mortgagor and Mortgagee.

6.9 Upon occurrence of an Event of Default and following acceleration by Mortgagee of the maturity of Mortgagor's Liabilities as provided herein a tender of payment thereof by Mortgagor, or any other party, or a payment thereof received upon or on account of a foreclosure of this Mortgage or Mortgagee's exercise of any of its other rights or remedies under this Mortgage, the Note, the Other Agreements or under any applicable law or in equity shall be deemed to be a voluntary prepayment made by Mortgagor of the Note and, therefore, such payment must, to the extent permitted by law, include all accrued interest and additional interest payments required under the Note.

6.10 Any failure of Mortgagee to insist upon the strict performance by Mortgagor of any of the terms and provisions of this Mortgage, the Other Agreements or the Note shall not be deemed to be a waiver of any of the terms and provisions thereof, and Mortgagee, notwithstanding any such failure, shall have the right at any time or times thereafter to insist upon the strict performance by Mortgagor of any and all of the terms and provisions thereof to be performed by Mortgagor. Neither Mortgagor, nor any other person now or hereafter obligated for the payment of the whole or any part of Mortgagor's Liabilities, shall be relieved of such obligation by reason of the sale, conveyance or other transfer of the Mortgaged Property or the failure of Mortgagee to comply with any request of Mortgagor,

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or of any other person, to take action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage, the Other Agreements or the Note, or by reason of the release, regardless of consideration, of the whole or any part of the security held for Mortgagor's Liabilities, or by reason of any agreement or stipulation between any subsequent owner or owners of the Mortgaged Property and Mortgagee extending the time of payment or modifying the terms of the Note, the Other Agreements or this Mortgage without first having obtained the consent of Mortgagor or such other person, and, in the latter event, Mortgagor, and all such other persons, shall continue liable on account of Mortgagor's Liabilities and to make such payments according to the terms of any such agreement, extension or modification unless expressly released and discharged in writing by Mortgagee. Mortgagee, without notice, may release, regardless of consideration, any part of the security held for Mortgagor's Liabilities, without, as to the remainder of the security therefor, in any way impairing or affecting the lien of this Mortgage or the priority of such lien over any subordinate lien. Mortgagee may resort for the payment of Mortgagor's Liabilities to any other security therefor held by the Mortgagee in such order and manner as Mortgagee may elect.

6.11 Upon and after the occurrence of an Event of Default under this Mortgage, Mortgagee shall not be obligated to accept any cure or attempted cure by Mortgagor.

7. Miscellaneous.

7.1 Every provision for notice, demand or request required in this Mortgage, the Note or the Other Agreements or by applicable law shall be deemed fulfilled by written notice, demand or request personally served on (with proof of service endorsed thereon, or mailed to, as hereinafter provided) the party entitled thereto or on its successors or assigns. If mailed, such notice, demand or request shall be made certified or registered mail, return receipt requested, and deposited in any post office station or letter-box, enclosed in a postage paid envelope addressed to such party at its address set forth below or to such other address as either party hereto shall direct by written notice as provided above and shall be deemed to have been made on the fifth (5th) day following posting as aforesaid. Notices shall be sent to Mortgagor and Mortgagee as follows:

To Mortgagor: Chicago Title and Trust, Trust No. 1091757
161 N. Clark Street
Chicago, IL 60002
Attn: _____

with a copy to: James Cozzi
Hickory Hills Lanes, Inc.
9126 S. Roberts Road
Hickory Hills, IL 60457

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and a copy to:

To Mortgagee:

Bank of America Illinois
231 South LaSalle Street
Chicago, IL 60697
Attn: Victor Stasica, Senior Vice President

with a copy to:

Philip S. Wolin, Esq.
Wolin & Rosen, Ltd.
2 North LaSalle Street
Suite 1776
Chicago, IL 60602

7.2 All the covenants contained in this Mortgage will run with the land. Time is of the essence of this Mortgage and all provisions herein relating thereto shall be strictly construed.

7.3 This Mortgage, and all the provisions hereof, will be binding upon and inure to the benefit of the successors and assigns of the Mortgagor and Mortgagee.

7.4 This Mortgage was executed and delivered in, and shall be governed as to the validity, interpretation, construction, effect and in all other respects including, but not limited to, the legality and collectability of the interest and other charges provided for herein, by the laws and decisions of the State of Illinois.

7.5 Any provision of this Mortgage which is unenforceable in any state in which this Mortgage may be filed or recorded is invalid or contrary to the law of such state, or the inclusion of which would affect the validity, legality or enforcement of this Mortgage, shall be of no effect, and in such case all the remaining terms and provisions of this Mortgage shall subsist and be fully effective according to the tenor of this Mortgage, the same as though no such invalid portion had ever been included herein.

7.6 Mortgagee shall release this Mortgage by proper instrument upon payment and discharge of all of Mortgagor's Liabilities, including all prepayment or like premiums, if any, provided for in the Note and payment of all costs, expenses and fees, including reasonable attorneys' fees, incurred by Mortgagee for the preparation, execution and/or recording of such release.

7.7 A. Any agreements between Mortgagor and Mortgagee are expressly limited so that, in no event whatsoever, whether by reason of disbursement of the proceeds of the loan evidenced by the Note or otherwise, shall the amount paid or agreed to be paid to Mortgagee for the use, detention or forbearance of the loan proceeds to be disbursed exceed the highest lawful rate

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permissible under any law which a court of competent jurisdiction may deem applicable thereto.

- B. If fulfillment of any provisions herein or in the Note, at the time performance of such provision becomes due, involves exceeding such highest lawful contract rate, then ipso facto, the obligation to fulfill the same shall be reduced to such highest lawful rate. If by any circumstance Mortgagee shall ever receive as interest an amount which would exceed such highest lawful rate, the amount which may be deemed excessive interest shall be applied to the principal of Mortgagor's Liabilities and not to interest.

7.8 This Mortgage is executed by Chicago Title and Trust ("CT&T"), not individually but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee, and it is expressly understood and agreed that nothing herein or in the Note contained shall be construed as creating any liability on the CT&T personally to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of the day and year first above set forth.

CHICAGO TITLE AND TRUST
not personally but as Trustee under
Trust Agreement dated August 1,
1988 and known as Trust No. 1091757.

By: Carolyn J. Janczewski
Name: CAROLYN JANCZEWSKI
Title: Asst. Vice President

ATTEST:

By: Robert S. Bunn
Name: ROBERT S. BUNN
Title: ASST. SECRETARY

Attested and acknowledged before me this _____ day of _____, 1988.

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EXCULPATORY CLAUSE FOR CHICAGO TITLE AND TRUST COMPANY, AS TRUSTEE

It is expressly understood and agreed by and between the parties hereto, anything to the contrary notwithstanding, that each and all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee while in form purporting to be the warranties, indemnities, representations, covenants, undertakings and agreements of said Trustee are nevertheless each and every one of them, made and intended not as personal warranties, indemnities, representations, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally but are made and intended for the purpose of binding only that portion of the trust property specifically described herein, and this instrument is executed and delivered by said Trustee not in its own right, but solely in the exercise of the powers conferred upon it as such Trustee; and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against Chicago Title and Trust Company, on account of this instrument or on account of any warranty, indemnity, representation, covenant or agreement of the said Trustee in this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released.

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EXHIBIT A

Legal Description:

PARCEL 1: LOT 11 (EXCEPT THE NORTHERLY 50 FEET THEREOF) AND LOT 12 (EXCEPT THE NORTHERLY 50 FEET THEREOF) IN MOWATT'S HIGHLANDS MEADOW SUBDIVISION OF THE NORTH 10 ACRES (EXCEPT THE NORTH 16 1/2 FEET) OF THE NORTHEAST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 2, TOWNSHIP 37 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2: LOTS 13 AND 14 IN MOWATT'S HIGHLANDS MEADOW SUBDIVISION OF THE NORTH 10 ACRES (EXCEPT THE NORTH 16 1/2 FEET) OF THE NORTHEAST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 2, TOWNSHIP 37 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Permanent Tax Number 23-02-422-011-0000, 23-02-422-012,014

Property Address 9216 South Roberts road, Hickory Hills, IL

DEPT-01 RECORDING \$73.50
10004 TRAN 1995 01/31/95 14:53:00
\$9630 LF *-95-071051
COOK COUNTY RECORDER

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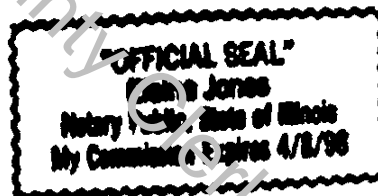
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, The undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that CHARLES MACK, WOLIN & ROSEN of CHICAGO TITLE AND TRUST, not personally but as Trustee under Trust Agreement dated August 1, 1988 and known as Trust No. 1091757, and _____ and _____, of said Chicago Title and Trust, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, as such ^{President} and ^{Vice President} Vice President, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Chicago Title and Trust, as Trustee, for the uses and purposes therein set forth; and the said _____ then and there acknowledged that he as custodian of the corporate seal of said Chicago Title and Trust, caused the corporate seal of said Company to be affixed to said instrument as the free and voluntary act of said Chicago Title and Trust, as Trustee, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 24th day of JANUARY, 1994.

Charles Jones
Notary Public

My Commission Expires:



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This instrument was prepared by: Charles Mack, Wolin & Rosen
2 North La Salle Street, Chicago, IL 60602

Mail to: Charles Mack, Wolin & Rosen, 2 N. LaSalle
Suite 1776 Chicago, IL 60602



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My Commission Expires 4/8/08
Notary Public, State of Illinois
Elaine Jones
"OFFICIAL SEAL"