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THIS INSTRUMENT PREPARED BY:
AND RECORD AND RETURN TO:

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DEPT-01 RECORDING \$85.00
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#3593 & DR *-97-507891
COOK COUNTY RECORDER

ADDRESS OF PROPERTY:
1411-1415 E. 65th Place
Chicago, IL

For Recorder's Use Only

PIN: 20-23-220-004

207640

MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS AND LEASES

THIS MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS AND LEASES ("Mortgage"), made as of July 15, 1997, is made and executed by WOODLAWN EAST COMMUNITY AND NEIGHBORS, INC., an Illinois not-for-profit corporation ("Mortgagor") in favor of LASALLE NATIONAL BANK ("Mortgagee").

RECITALS

Mortgagor has concurrently herewith executed a Mortgage Note in the principal sum of One Hundred Eighty Thousand and 00/100 Dollars (\$180,000.00) payable to the order of the Mortgagee (the "Note"), which Note is payable on or before March 1, 2028. The rate of interest payable on the Note will be adjusted from time to time during the term of the Note.

GRANTING CLAUSES

To secure the payment of the indebtedness evidenced by the Note and the payment of all amounts due thereunder and the performance and observance of all covenants and conditions contained in this Mortgage, the Note, that certain Construction Loan Agreement of even date herewith by and between Mortgagor and Mortgagee, (the "Loan Agreement") any and all other documents and instruments now or hereafter executed by Mortgagor or any party related thereto or affiliated therewith to evidence, secure or guarantee the payment of all or any portion of the indebtedness under the Note and any and all renewals, extensions, amendments and replacements of this Mortgage, the Note, Loan Agreement and any such other documents and instruments (this Mortgage, the Note, the Loan Agreement, and any other documents and instruments now or hereafter executed and delivered in connection therewith, and any and all amendments, renewals, extensions and

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replacements hereof and thereof, being sometimes referred to collectively as the "Loan Instruments" and individually as a "Loan Instrument") (all indebtedness and liabilities secured hereby being hereinafter sometimes referred to as the "Liabilities") Mortgagor does hereby convey, mortgage, assign, transfer, pledge and deliver to Mortgagee the following described property located in Cook County, Illinois subject to the terms and conditions herein:

(A) The land located in Cook County, Illinois, legally described in attached Exhibit A (the "Land");

(B) All the buildings, structures, improvements and fixtures of every kind or nature now or hereafter situated on the Land; and, to the extent not owned by tenants of the "Mortgaged Property" (as hereinafter defined) and not leased under third-party equipment leases, all machinery, appliances, equipment, furniture and all other personal property of every kind or nature located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Land, buildings, structures, improvements or fixtures now or hereafter located or to be located on the Land, or in connection with any construction being conducted or which may be conducted thereon, and all extensions, additions, improvements, substitutions and replacements to any of the foregoing ("Improvements");

(C) All building materials and goods which are procured or are to be procured for use on or in connection with the Improvements or the construction of additional Improvements, whether or not such materials and goods have been delivered to the Land ("Materials");

(D) All plans, specifications, architectural renderings, drawings, licenses, permits, soil test reports, other reports of examinations or analyses of the Land or the Improvements, contracts for services to be rendered to Mortgagor or otherwise in connection with the Improvements and all other property, contracts, reports, proposals and other materials now or hereafter existing in any way relating to the Land or the Improvements or the construction of additional Improvements;

(E) All easements, tenements, rights-of-way, vaults, gores of land, streets, ways, alleys, passages, sewer rights, water courses, water rights and powers and appurtenances in any way belonging, relating or appertaining to any of the Land or Improvements, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired ("Appurtenances");

(F) (I) All judgments, insurance proceeds, awards of damages and settlements which may result from any damage to all or any portion of the Land, Improvements or Appurtenances or any part thereof or to any rights appurtenant thereto;

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(ii) All compensation, awards, damages, claims, rights of action and proceeds of or on account of (a) any damage or taking, pursuant to the power of eminent domain, of the Land, Improvements, Appurtenances or Materials or any part thereof, (b) damage to all or any portion of the Land, Improvements or Appurtenances by reason of the taking, pursuant to the power of eminent domain, of all or any portion of the Land, Improvements, Appurtenances, Materials or of other property, or (c) the alteration of the grade of any street or highway on or about the Land, Improvements, Appurtenances, Materials or any part thereof; and, except as otherwise provided herein, Mortgagee is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor and, except as otherwise provided herein, to apply the same toward the payment of the indebtedness and other sums secured hereby;

(iii) All contract rights, general intangibles, actions and rights in action, including, without limitation, all rights to insurance proceeds and unearned premiums arising from or relating to damage to the Land, Improvements, Appurtenances or Materials; and

(iv) All proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Land, Improvements, Appurtenances or Materials;

(G) All rents, issues, profits, income and other benefits now or hereafter arising from or in respect of the Land, Improvements or Appurtenances (the "Rents"); it being intended that this Granting Clause shall constitute an absolute and present assignment of the Rents, subject, however, to the conditional permission given to Mortgagor in this Mortgage to collect and use the Rents as provided in this Mortgage;

(H) Any and all leases, licenses and other occupancy agreements now or hereafter affecting the Land, Improvements, Appurtenances or Materials, together with all security therefor and guaranties thereof and all monies payable thereunder, and all books and records owned by Mortgagor which contain evidence of payments made under the leases and all security given therefor (collectively, the "Leases"), subject, however, to the conditional permission given in this Mortgage to Mortgagor to collect the Rents arising under the Leases as provided in this Mortgage;

(I) Any and all after-acquired right, title or interest of Mortgagor in and to any of the property described in the preceding Granting Clauses; and

(J) The proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding Granting Clauses;

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All of the mortgaged property described in the Granting Clauses, together with all real and personal, tangible and intangible property pledged in, or to which a security interest attaches pursuant to, any of the Loan Instruments is sometimes referred to collectively as the "Mortgaged Property." The Rents and Leases are pledged on a parity with the Land and Improvements and not secondarily.

ARTICLE I

COVENANTS OF MORTGAGOR

Mortgagor covenants and agrees with Mortgagee as follows:

1.1 Performance under Note, Mortgage, Loan Agreement and other Instruments. Mortgagor shall perform, observe and comply with or cause to be performed, observed and complied with in a complete and timely manner all provisions hereof and of the Note, Loan Agreement, every other Loan Instrument and every instrument evidencing or securing the Liabilities and will promptly pay or cause to be paid to Mortgagee when due the principal with interest thereon and all other sums required to be paid by Mortgagor pursuant to the Note, this Mortgage, the Loan Agreement, every other Loan Instrument and every other instrument evidencing or securing the Liabilities.

1.2 General Covenants and Representations. Mortgagor covenants and represents that as of the date hereof and at all times thereafter during the term hereof: (a) Mortgagor is seized of an indefeasible estate in fee simple in that portion of the Mortgaged Property which is real property, and has good and absolute title to it and the balance of the Mortgaged Property free and clear of all liens, security interests, charges and encumbrances whatsoever except those listed on attached Exhibit B (the "Permitted Encumbrances") and has good right, full power and lawful authority to mortgage and pledge the Mortgaged Property as provided herein; (b) upon the occurrence of an Event of Default, which continues beyond any applicable grace or cure period, Mortgagee may, at all times peaceably and quietly enter upon, hold, occupy and enjoy the Mortgaged Property in accordance with the terms hereof; (c) Mortgagor will maintain and preserve the lien of this Mortgage as a lien on the Mortgaged Property subject only to the Permitted Encumbrances, until the Liabilities have been paid in full; and (d) there are no leases affecting the Mortgaged Property, other than as listed on attached Exhibit C.

1.3 Compliance with Laws and Other Restrictions. Mortgagor covenants and represents that upon completion of the rehabilitation of the Property, the Land and the Improvements and the use thereof will during the full term of this Mortgage comply in all material respects with, all applicable restrictive covenants, zoning and subdivision ordinances and building codes, licenses, health and environmental laws

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and regulations and all other applicable laws, ordinances, rules and regulations. Mortgagor shall not operate or maintain the Mortgaged Property in a manner that causes the Mortgaged Property to be in material violation of any such laws, ordinances, rules and regulations. If any federal, state or other governmental body or any court issues any notice or order to the effect that the Mortgaged Property or any part thereof is not in compliance with any such covenant, ordinance, code, law or regulation, Mortgagor will promptly provide Mortgagee with a copy of such notice or order and will immediately commence and diligently perform all such actions as are necessary to comply therewith or otherwise correct such non-compliance; provided, that Mortgagor shall have the right to contest any such alleged noncompliance, provided such contest does not have material adverse effect on the priority or value of the Mortgaged Property or the lien of this Mortgage. Mortgagor shall not, without the prior written consent of Mortgagee, petition for or otherwise seek any change in the zoning ordinances or other public or private restrictions applicable to the Mortgaged Property on the date hereof.

1.4 Taxes and Assessments. Mortgagor shall pay promptly when due all taxes, assessments, rates, dues, charges, fees, fines, impositions, liabilities, obligations, liens and encumbrances of every kind and nature whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage or the Liabilities or upon or against the interest of Mortgagee in the Mortgaged Property, as well as all taxes, assessments and other governmental charges levied and imposed by the United States of America or any state, county, municipality or other taxing authority upon or in respect of the Mortgaged Property or any part thereof; provided, however, that unless compliance with applicable laws requires that taxes, assessments or other charges must be paid as a condition to protesting or contesting the amount thereof, Mortgagor may in good faith, by appropriate proceedings commenced within a reasonable time after the due date of such amounts and thereafter diligently pursued, contest the validity, applicability or amount of any asserted tax, assessment or other charge and pending such contest Mortgagor shall not be deemed in default hereunder. If on or before the due date of the asserted tax or assessment, Mortgagor shall either (i) establish adequate reserves to cover such contested taxes, assessments or charges or (ii) deposit with Mortgagee a bond or other security satisfactory to Mortgagee in an amount equal to the amount being so contested plus a reasonable estimate of the amount of any additional charges, penalties or expenses arising from or occurring as a result of such contest. If Mortgagor deposits such a bond or other security, Mortgagee shall return such bond or other security to Mortgagor after final adjudication of such tax, assessment or other charge and, if required, payment thereof by Mortgagor. Mortgagor shall pay, or Mortgagee shall apply such bond or other security to, the disputed or contested tax, assessment or other charge and all interest and penalties due in respect thereof promptly after the date any adjudication of the validity or amount thereof becomes final or such earlier time as is required to prevent material impairment of the value of the Mortgaged Property or Mortgagee's

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lien on the Mortgaged Property and in any event no less than thirty (30) days prior to any forfeiture or sale of the Mortgaged Property by reason of such non-payment.

1.5 Mechanic's and Other Liens. Mortgagor shall not permit or suffer any mechanic's, laborer's, materialman's, statutory or other lien or encumbrance (other than any lien for taxes and assessments not yet due) to be created upon or against the Mortgaged Property, provided, however, that Mortgagor may in good faith, by appropriate proceeding, contest the validity, applicability or amount of any asserted lien and, pending such contest, Mortgagor shall not be deemed to be in default hereunder if Mortgagor shall first deposit with Mortgagee a bond or other security satisfactory to Mortgagee in an amount equal to the amount being so contested plus a reasonable estimate of the amount of any additional charges, penalties or expenses arising from or occurring as a result of such contest. If Mortgagor deposits such a bond or other security, Mortgagee shall return such bond or other security to Mortgagor after final adjudication of such asserted lien and, if required, payment thereof by Mortgagor. Mortgagor shall pay, or Mortgagee shall apply such bond or other security to, the disputed amount and all interest and penalties due in respect thereof promptly after the date any adjudication of the validity or amount thereof becomes final or such earlier time as is required to prevent material impairment of the value of the Mortgaged Property or Mortgagee's lien on the Mortgaged Property and in any event no less than thirty (30) days prior to any foreclosure sale of the Mortgaged Property or the exercise of any other remedy by such claimant against the Mortgaged Property.

1.6 Insurance and Condemnation.

1.6.1 Hazard Insurance. During the Rehabilitation Stage, as such term is defined in the Loan Agreement, Mortgagor shall maintain insurance on the Mortgaged Property as provided for in the Loan Agreement. Thereafter, Mortgagor shall, at its sole expense, obtain for, deliver to, assign to and maintain for the benefit of Mortgagee, until the Liabilities are paid in full, policies of hazard insurance in an amount which shall be not less than one hundred percent (100%) of the full insurable replacement cost of the Mortgaged Property (other than the Land) insuring on a replacement cost basis the Mortgaged Property against loss or damage on an "All Risks" form, such insurable hazards, casualties and contingencies as Mortgagee may require, including without limitation, fire, windstorm, rainstorm, vandalism, earthquake and flood, if all or any part of the Mortgaged Property shall at any time be located within an area identified by the government of the United States or any agency thereof as having special flood hazards and for which flood insurance is available. Mortgagor shall pay promptly when due any premiums on such insurance policies and on any renewals thereof. The form of such policies and the companies issuing them shall be reasonably acceptable to Mortgagee. If any such policy shall contain a co-insurance clause, the policy or an endorsement thereto shall state the stipulated value of the insured property and the amount of insurance shall exceed the product

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of the co-insurance clause percentage times said stipulated value. All such policies and renewals thereof shall be held by Mortgagee and shall contain a non-contributory standard mortgagee's endorsement making losses payable to Mortgagee as first mortgage holder and to Neighborhood Lending Services, Inc., as second mortgage holder. No additional parties shall appear in the mortgage clause without Mortgagee's prior written consent. In the event of loss, Mortgagor will give immediate written notice to Mortgagee and Mortgagee may make proof of loss if not made promptly by Mortgagor (for which purpose Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact). In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in full or partial satisfaction of Borrower's liabilities, all right, title and interest of Mortgagor in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee. All such policies shall provide that insurer shall not modify, cancel or terminate such policies without at least thirty (30) days' prior written notice to Mortgagee from the insurer. Mortgagor also hereby covenants and agrees that Mortgagor shall give Mortgagee thirty (30) days' written notice of Mortgagor's intent to materially modify or cancel or terminate such policies.

1.6.2 Other Insurance. During the course of construction of the Improvements, the Mortgagor shall cause the General Contractor to provide certificates of insurance evidencing workmen's compensation and liability insurance, with liability limits for death or injury to persons and property as are reasonably satisfactory to Bank. In addition, Mortgagor shall, at its sole expense, obtain for, deliver to, assign to and maintain for the benefit of, Mortgagee, until the Liabilities are paid in full, (i) a general liability insurance policy in an amount acceptable to Mortgagee, and (ii) such other insurance policies relating to the Mortgaged Property and the use and operation thereof, in such amounts as may be reasonably required by Mortgagee and with such companies and in such form as may be acceptable to Mortgagee. The policies of insurance referred to in clause above shall contain an endorsement, in form satisfactory to Mortgagee, naming Mortgagee as an additional insured thereunder.

1.6.3 Adjustment of Loss. Mortgagee is hereby authorized and empowered, at its option, to adjust or compromise any claim under any insurance policies covering or relating to the Mortgaged Property and to collect and receive the proceeds from any such policy or policies (and deposit such proceeds as provided in Paragraph 1.6.5). Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact for the purposes set forth in the preceding sentence. Each insurance company is hereby authorized and directed to make payment of one hundred percent (100%) of all such losses directly to Mortgagee alone. After deducting from such insurance proceeds any expenses incurred by Mortgagee in the collection and settlement thereof, including, without limitation, attorneys' and adjusters' fees and charges, Mortgagee shall apply the net proceeds as provided in Paragraph 1.6.5. Mortgagee shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

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1.6.4 Condemnation Awards. Mortgagee shall be entitled to all compensation, awards, damages, claims, rights of action and proceeds of, or on account of, (i) any damage or taking, pursuant to the power of eminent domain, of the Mortgaged Property or any part thereof, (ii) damage to the Mortgaged Property by reason of the taking, pursuant to the power of eminent domain, of other property or of a portion of the Mortgaged Property, or (iii) the alteration of the grade of any street or highway on or about the Mortgaged Property. Mortgagee is hereby authorized, at its option, to commence, appear in and prosecute in its own or Mortgagor's name any action or proceeding relating to any such compensation, awards, damages, claims, rights of action and proceeds and to settle or compromise any claim in connection therewith. Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact for the purposes set forth in the preceding sentence. Mortgagee after deducting from such compensation, awards, damages, claims, rights of action and proceeds all its expenses, including attorneys' fees, shall apply such net proceeds in such manner and order as Mortgagee may determine. Mortgagor agrees to execute such further assignments of any compensation awards, damages, claims, rights of action and proceeds as Mortgagee may require.

1.6.5 Repair; Proceeds of Casualty Insurance and Eminent Domain. If all or any part of the Mortgaged Property shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause described in Paragraph 1.6.4, Mortgagor shall, if the proceeds, awards or other compensation, if any, are made available to Mortgagor as provided below, promptly and with all due diligence restore and repair the Mortgaged Property whether or not the proceeds, award or other compensation are sufficient to pay the cost of such restoration or repair. Such proceeds, awards or other compensation shall, in Mortgagee's reasonable discretion, to be exercised following Mortgagee's or Mortgagor's unrestricted receipt in cash or the equivalent thereof of said proceeds, award or other compensation, either (i) be applied to the Liabilities or (ii) be made available to Mortgagor on the terms and conditions set forth in this Paragraph 1.6.5 to finance the cost of restoration or repair pursuant to a written plan prepared by Mortgagor and acceptable to Mortgagee with any excess to be applied to the Liabilities as provided in the Loan Agreement. If the amount of proceeds to be made available to Mortgagor pursuant to this Paragraph 1.6.5 is less than the cost of the restoration or repair as reasonably estimated by Mortgagee at any time prior to completion thereof, Mortgagor shall cause to be deposited with Mortgagee the amount of such deficiency within thirty (30) days of Mortgagee's written request therefor (but in no event later than the commencement of the work) and Mortgagor's deposited funds shall be disbursed prior to any such insurance proceeds. If Mortgagor is required to deposit funds under this Paragraph 1.6.5, the deposit of such funds shall be a condition precedent to Mortgagee's obligation to disburse any insurance proceeds held by Mortgagee hereunder. The amount of proceeds, award or compensation which is to be made available to Mortgagor, together with any deposits made by Mortgagor hereunder, shall be held by Mortgagee to be disbursed

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from time to time to pay the cost of repair or restoration either, at Mortgagee's option, to Mortgagor or directly to contractors, subcontractors, material suppliers and other persons entitled to payment in accordance with and subject to such conditions to disbursement as Mortgagee may reasonably impose to assure that the work is fully completed in a good and workmanlike manner and paid for and that no liens or claims arise by reason thereof. Mortgagee may commingle any such funds held by it with its other general funds. Mortgagee shall not be obligated to pay interest in respect of any such funds held by it nor shall Mortgagor be entitled to a credit against any of Borrower's Liabilities except and to the extent the funds are applied thereto pursuant to this Paragraph 1.6.5. Mortgagee shall have the right at all times to apply such net proceeds to the cure of any Event of Default or the performance of any obligations of Mortgagor under the Loan Instruments.

1.6.6 Intentionally Left Blank.

1.6.7 Renewal of Policies. At least thirty (30) days prior to the expiration date of any policy evidencing insurance required under Paragraph 1.6.1 hereof, a renewal thereof, substitution therefor, or certificate of insurance evidencing the renewal thereof or substitution therefor satisfactory to Mortgagee shall be delivered to Mortgagee with receipts or other evidence of the payment of any premiums then due on such renewal policy or substitute policy.

1.7 Deposits for Taxes and Insurance Premiums. To assure payment of Taxes and Insurance premiums payable with respect to the Mortgaged Property as and when the same shall become due and payable:

(a) The Mortgagor shall deposit with Mortgagee at the time of the initial disbursement of the proceeds of the Note;

(i) An amount equal to one-twelfth of such taxes multiplied by the number of months elapsed between the date on which the most recent installment for such taxes was required to be paid and the date hereof; and

(ii) An amount equal to one-twelfth of such annual insurance premiums multiplied by the number of months elapsed between the date premiums on each policy were last paid to and the date of such first deposit.

(b) Concurrently with each monthly payment installment pursuant to the Note, Mortgagor shall deposit with Mortgagee an amount equal to one-twelfth of the taxes and one-twelfth of the insurance premiums.

(c) The amount of such deposits, ("Tax and Insurance Deposits") shall be based upon the most recently available bills therefor. All Tax and Insurance Deposits shall be held by the Mortgagee without any allowance of interest thereon.

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(d) Monthly Tax and Insurance Deposits, together with monthly payments of principal and interest shall be paid in a single payment each month, to be applied to the following items in the following order:

- (i) Tax and Insurance Deposits;
- (ii) The Liabilities other than principal and interest on the Note;
- (iii) Interest on the Note;
- (iv) Amortization of the principal balance of the Note.

(e) Mortgagee will pay insurance premiums and taxes from the Tax and Insurance Deposits upon the presentation by Mortgagor of bills therefor, or upon presentation of receipted bills, reimburse Mortgagor for such payments. If the total Tax and Insurance Deposits on hand are not sufficient to pay all of the taxes and insurance premiums when due, Mortgagor will deposit with Mortgagee any amount necessary to make up the deficiency. If the total of such Deposits exceeds the amount required to pay taxes and insurance premiums, such excess shall be credited on subsequent deposits to be made for such items.

(f) In the Event of Default, Mortgagee may, but shall not be required to, apply Tax and Insurance Deposits on the Liabilities, in such order and manner as Mortgagee may elect. When the Liabilities have been fully paid, any remaining Tax and Insurance Deposits shall be paid to Mortgagor. All Tax and Insurance Deposits are hereby pledged as additional security for the Liabilities and shall not be subject to the direction or control of the Mortgagor.

(g) Mortgagee shall not be liable for any failure to apply any amounts deposited to the payment of taxes and insurance premiums unless while no Event of Default exists hereunder Mortgagor shall have presented to Mortgagee the appropriate tax and insurance premium bills to be paid from the Tax and Insurance Deposits.

1.8 Non-Impairment of Mortgagee's Rights. Nothing contained in this Mortgage shall be deemed to limit or otherwise affect any right or remedy of Mortgagee under any provision of this Mortgage or of any statute or rule of law to pay and, upon Mortgagor's failure to pay the same (after notifying Mortgagor and the expiration of any applicable grace or cure periods), Mortgagee may pay any amount required to be paid by Mortgagor under Paragraphs 1.4, 1.5 and 1.6. Mortgagor shall pay to Mortgagee within five (5) days after demand the amount so paid by Mortgagee together with interest at the Default Rate of interest set forth in the Note, and the amount so paid by Mortgagee shall be added to the Liabilities.

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1.9 Care of the Mortgaged Property.

(a) Mortgagor shall preserve and maintain the Mortgaged Property in good and first class condition and repair. Mortgagor shall not, without the prior written consent of Mortgagee, permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or of any part thereof, and will not take any action which will increase the risk of fire or other hazard to the Mortgaged Property or to any part thereof.

(b) Other than as provided in the Loan Agreement, no new improvements shall be constructed on the Mortgaged Property and no part of the Mortgaged Property shall be removed, demolished or altered in any material manner without the prior written consent of Mortgagee which approval shall not be unreasonably withheld.

1.10 Transfer or Encumbrance of the Mortgaged Property. Mortgagor shall not permit or suffer to occur any sale, assignment, conveyance, transfer, mortgage, lease (other than leases made in accordance with the provisions of this Mortgage) or encumbrance on, or any contract for any of the foregoing on an installment basis or otherwise pertaining to, the Mortgaged Property, any part thereof, any interest therein, any interest in the beneficial interest in any trust holding title to the Mortgaged Property or any interest in a corporation, partnership or other entity which owns all or part of the Mortgaged Property or such beneficial interest, whether by operation of law or otherwise, without the prior written consent of the Mortgagee having been obtained (i) to the sale, assignment, conveyance, mortgage, lease, option, encumbrance or other transfer and (ii) to the form and substance of any instrument evidencing or contracting for any such sale, assignment, conveyance, mortgage, lease, option, encumbrance or other transfer. Mortgagor shall not, without the prior written consent of the Mortgagee, further assign or permit to be assigned the rents from the Mortgaged Property, and any such assignment without the prior express written consent of the Mortgagee, shall be null and void. Mortgagor shall not permit any interest in any lease of the Mortgaged Property to be subordinated to any encumbrance on the Mortgaged Property other than the Loan Instruments and any such subordination shall be null and void. Mortgagor agrees that in the event the ownership of the Mortgaged Property, any interest therein or any part thereof becomes vested in a person other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal in any way with such successor or successors in interest with reference to this Mortgage, the Note, the Loan Instruments and Borrower's Liabilities without in any way violating or discharging Mortgagor's liability hereunder or the Liabilities. No sale of the Mortgaged Property, no forbearance to any person with respect to this Mortgage, and no extension to any person of the time for payment of the Note or any other of the Liabilities given by Mortgagee shall operate to release, discharge, modify, change or affect the original liability of Mortgagor, either in whole or in part, except to the extent specifically agreed in writing by Mortgagee.

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1.11 Further Assurances. At any time and from time to time, upon Mortgagee's request, Mortgagor shall make, execute and deliver, or cause to be made, executed and delivered, to Mortgagee, and where appropriate shall cause to be recorded, registered or filed, and from time to time thereafter to be re-recorded, re-registered and re-filed at such time and in such offices and places as shall be deemed desirable by Mortgagee, any and all such further mortgages, security agreements, financing statements, instruments of further assurance, certificates and other documents as Mortgagee may consider necessary or desirable in order to effectuate or perfect, or to continue and preserve the obligations under, the Note, this Mortgage, the Loan Agreement, any other Loan Instrument and any instrument evidencing or securing the Liabilities, and the lien of this Mortgage as a lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by Mortgagor, and unto all and every person or persons deriving any estate, right, title or interest under this Mortgage, so long as execution of the foregoing will not increase Borrower's Liabilities. Upon any failure by Mortgagor to do so, Mortgagee may make, execute, record, register, file, rerecord, re-register or re-file any and all such mortgages, instruments, certificates and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor to do so.

1.12 Security Agreement and Financing Statements.

(a) Mortgagor (as debtor) hereby grants to Mortgagee (as creditor and secured party) a security interest under the Uniform Commercial Code as adopted in Illinois (the "Uniform Commercial Code") in all fixtures, machinery, appliances, equipment, furniture and personal property of every nature whatsoever constituting part of the Mortgaged Property, and all proceeds thereof. Mortgagor shall execute any and all documents, including, without limitation, financing statements pursuant to the Uniform Commercial Code, as Mortgagee may request to preserve, maintain and perfect the priority of the lien and security interest created hereby on property which may be deemed personal property or fixtures, and shall pay to Mortgagee on demand any reasonable expenses incurred by Mortgagee in connection with the preparation, execution and filing of any such documents. Mortgagor hereby authorizes and empowers Mortgagee and irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor to execute and file, on Mortgagor's behalf, all financing statements and refilings and continuations thereof as Mortgagee deems necessary or advisable to create, preserve and protect such lien. When and if Mortgagor and Mortgagee shall respectively become the debtor and secured party in any Uniform Commercial Code financing statement affecting the Mortgaged Property (or Mortgagee takes possession of personal property delivered by Mortgagor where possession is the means of perfection of the security interest), then, at Mortgagee's sole election, this Mortgage shall be deemed a security agreement as defined in such Uniform Commercial Code, and the remedies for any of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by

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general law, or, as to such part of the security which is also reflected in such financing statement, by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code.

(b) Without limitation of the foregoing, if an Event of Default occurs, Mortgagee shall be entitled immediately to exercise all remedies available to it under the Uniform Commercial Code and this Paragraph 1.12. Mortgagor shall, in such event and if Mortgagee so requests, assemble the tangible personal property at Mortgagor's expense, at a convenient place designated by Mortgagee. Mortgagor shall pay all reasonable expenses incurred by Mortgagee in the collection of such indebtedness, including reasonable attorneys' fees and legal expenses, and in the repair of any real estate or other property to which any of the tangible personal property may be affixed. If any notification of intended disposition of any of the personal property is required by law, such notification shall be deemed reasonable and proper if given at least ten (10) days before such disposition. Any proceeds of the disposition of any of the personal property may be applied by Mortgagee to the payment of the reasonable expenses of retaking, holding, preparing for sale and selling the personal property, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by Mortgagee toward the payment of such of the Liabilities, and in such order of application, as Mortgagee may from time to time elect. If an Event of Default occurs which continues beyond any applicable grace or cure period, Mortgagee shall have the right to exercise and shall automatically succeed to all rights of Mortgagor with respect to intangible personal property subject to the security interest granted herein to the extent permitted by law and the terms governing such intangible property rights. Any party to any contract subject to the security interest granted herein shall be entitled to rely on the rights of Mortgagee without the necessity of any further notice or action by Mortgagor. Mortgagee shall not by reason of this Mortgage or the exercise of any right granted hereby be obligated to perform any obligation of Mortgagor with respect to any portion of the personal property nor shall Mortgagee be responsible for any act committed by Mortgagor, or any breach or failure to perform by Mortgagor with respect to any portion of the personal property.

1.13 Assignment of Rents. The assignment of rents, income and other benefits contained in Paragraph (G) of the Granting Clauses of this Mortgage shall be an absolute assignment, fully operative without any further action on the part of either party, and, specifically, Mortgagee shall be entitled, at its option, upon the occurrence of an Event of Default hereunder which continues beyond any applicable grace or cure period, to all rents, income and other benefits from the Mortgaged Property, whether or not Mortgagee takes possession of such property. Mortgagor hereby further grants to Mortgagee the right effective upon the occurrence of an Event of Default which continues beyond any applicable grace or cure period, and upon approval by the court if prior to the entry of a judgment of foreclosure and after entry as permitted by law to do any or all of the following, at Mortgagee's option, (i) to enter upon and take possession of the Mortgaged

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Property for the purpose of collecting the rents, income and other benefits, (ii) to dispossess by the usual summary proceedings any tenant defaulting in the payment thereof to Mortgagee, (iii) to lease the Mortgaged Property or any part thereof, and (iv) to apply the rents, income and other benefits, after payment of all necessary charges and expenses, on account of the Liabilities. Such assignment and grant shall continue in effect until the Liabilities are paid in full, the execution of this Mortgage constituting and evidencing the irrevocable consent of Mortgagor to the entry upon and taking possession of the Mortgaged Property by Mortgagee pursuant to such grant, whether or not foreclosure proceedings have been instituted. Neither the exercise of any rights under this paragraph by Mortgagee nor the application of any such rents, income or other benefits to payment of the Liabilities shall cure or waive any Event of Default which continues beyond any applicable grace or cure period, or notice provided for hereunder, or invalidate any act done pursuant hereto or pursuant to any such notice, but shall be cumulative of all other rights and remedies. Notwithstanding the foregoing, so long as no Event of Default which continues beyond any applicable grace or cure period, has occurred or is continuing, Mortgagor shall have the right and authority to continue to collect the rents, income and other benefits (if any) from said property as they become due and payable but not more than thirty (30) days prior to the due date thereof. The existence or exercise of such right of Mortgagor to collect said rents, income and other benefits shall not operate to subordinate this assignment to any subsequent assignment of said rents, income or other benefits, in whole or in part, by Mortgagor, and any such subsequent assignment by Mortgagor shall be subject to the rights of Mortgagee hereunder.

1.14 After-Acquired Property. To the extent permitted by, and subject to, applicable law, the lien of this Mortgage, including without limitation the security interest created under Paragraph 1.12, shall automatically attach, without further act, to all property hereafter acquired by Mortgagor located in or on, or attached to the Mortgaged Property or any part thereof.

1.15 Leases Affecting Mortgaged Property.

(a) Mortgagor shall comply with and perform in a complete and timely manner all of its obligations as landlord under all leases affecting the Mortgaged Property or any part thereof. Mortgagor shall give notice to Mortgagee of any default by the lessor under any lease affecting the Mortgaged Property promptly upon the occurrence of such default, but, in any event, in such time to afford Mortgagee an opportunity to cure any such default prior to the lessee having any right to terminate the lease. Each of the leases shall contain a provision requiring the lessee to notify Mortgagee of any default by lessor and granting an opportunity for a reasonable time after such notice to cure such default prior to any right accruing to the lessee to terminate such lease. Mortgagee shall have the right to notify at any time and from time to time any tenant of the Mortgaged Property of any provision of this Mortgage.

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(b) The assignment contained in Paragraph (H) of the Granting Clauses shall not be deemed to impose upon Mortgagee any of the obligations or duties of Mortgagor provided in any lease, including, without limitation, any liability under the covenant of quiet enjoyment contained in any lease 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 or any part thereof. Mortgagor hereby acknowledges and agrees that Mortgagor is and will remain liable under such leases to the same extent as though the assignment contained in Paragraph (H) of the Granting Clauses had not been made. Mortgagee disclaims any assumption of the obligations imposed upon Mortgagor under the leases, except as to such obligations which arise after such time as Mortgagee shall have exercised the rights and privileges conferred upon it by the assignment contained in Paragraph (H) of the Granting Clauses and assumed full and indefeasible ownership of the collateral thereby assigned. With respect to the assignment contained in Paragraph (H) of the Granting Clauses, Mortgagor shall, from time to time upon request of Mortgagee, specifically assign to Mortgagee as additional security hereunder, by an instrument in writing in such form as may be approved by Mortgagee, all right, title and interest of Mortgagor in and to any and all leases now or hereafter of or affecting the Mortgaged Property or any part thereof together with all security therefor and all monies payable thereunder, subject to the conditional permission hereinabove given to Mortgagor to collect the rentals under such lease. Mortgagor shall also execute and deliver to Mortgagee any notification, financing statement or other document reasonably required by Mortgagee to perfect the foregoing assignment as to any such lease. The provisions of this Paragraph 1.15 shall be subject to the provisions of Paragraph (H) of the Granting Clauses.

1.16 Intentionally Left Blank.

1.17 **Expenses.** Mortgagor shall pay when due and payable, and otherwise on demand made by Mortgagee, appraisal fees, recording fees, taxes, brokerage fees and commissions, abstract fees, title insurance fees, escrow fees, reasonable attorneys' fees, environmental reports or studies, court costs, documentary and expert evidence, fees of inspecting architects and engineers, and all other costs and expenses of every character which have been incurred or which may hereafter be incurred by Mortgagee in connection with any of the following:

(a) The preparation, execution, delivery and performance of the Loan Instruments;

(b) The funding of the Loan;

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(c) Any court or administrative proceeding involving the Mortgaged Property or the Loan Instruments to which Mortgagee is made a party by reason of its being a holder of any of the Loan Instruments, including without limitation, bankruptcy, insolvency, reorganization, probate, eminent domain, condemnation, building code and zoning proceedings;

(d) Any court or administrative proceeding or other action undertaken by Mortgagee to enforce any remedy or to collect any indebtedness due under this Mortgage or any of the other Loan Instruments following a default thereunder, including, without limitation, a foreclosure of this Mortgage or a public or private sale under the Uniform Commercial Code;

(e) Any remedy exercised by Mortgagee following an Event of Default which continues beyond any applicable grace or cure period, including foreclosure of this Mortgage and actions in connection with taking possession of the Mortgaged Property or collecting rents assigned hereby;

(f) Any activity in connection with any request by Mortgagor or anyone acting on behalf of Mortgagor that Mortgagee consent to a proposed action which, pursuant to this Mortgage or any of the other Loan Instruments may be undertaken or consummated only with the prior consent of Mortgagee, whether or not such consent is granted; or

(g) Any negotiation undertaken between Mortgagee and Mortgagor or anyone acting on behalf of Mortgagor pertaining to the existence or cure of any default under or the modification or extension of any of the Loan Instruments.

If Mortgagor fails to pay said costs and expenses as above provided, Mortgagee may elect, but shall not be obligated, to pay the costs and expenses described in this Paragraph 1.17, and if Mortgagee does so elect, then Mortgagor will, upon demand by Mortgagee, reimburse Mortgagee for all such expenses which have been or shall be paid or incurred by it. The amounts paid by Mortgagee in respect of such expenses, together with interest thereon at the Default Rate set forth in the Note from the date paid by Mortgagee until paid by Mortgagor, shall be added to the Liabilities, shall be immediately due and payable and shall be secured by the lien of this Mortgage and the other Loan Instruments. In the event of foreclosure hereof, Mortgagee shall be entitled to add to the indebtedness found to be due by the court a reasonable estimate of such expenses to be incurred after entry of the decree of foreclosure. To the extent permitted by law, Mortgagor agrees to hold harmless Mortgagee against and from, and reimburse Mortgagee for, all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses, including, without limitation, reasonable attorneys' fees, which may be imposed upon, asserted against, or incurred or paid by Mortgagee by reason of or in connection with any bodily injury or death or property damage occurring in or upon or about the

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Mortgaged Property through any cause whatsoever, or asserted against Mortgagee on account of any act performed or omitted to be performed hereunder, or on account of any transaction arising out of or in any way connected with the Mortgaged Property, this Mortgage, the other Loan Instruments, any of the indebtedness evidenced by the Note or any of the Liabilities.

1.18 Mortgagee's Performance of Mortgagor's Obligations. If Mortgagor fails to pay any tax, assessment, encumbrance or other imposition, or to furnish insurance hereunder, or to perform any other covenant, condition or term in this Mortgage, the Note, the Loan Agreement or any other Loan Instrument (after notifying Mortgagor and the expiration of any applicable grace periods), Mortgagee may, but shall not be obligated to, pay, obtain or perform the same. All payments made, whether such payments are regular or accelerated payments, and costs and expenses incurred or paid by Mortgagee in connection therewith shall be due and payable within five (5) days after demand. The amounts so incurred or paid by Mortgagee, together with interest thereon at the Default Rate set forth in the Note from the date paid by Mortgagee until reimbursed by Mortgagor, shall be added to the Liabilities and secured by the lien of this Mortgage and the Loan Instruments. Mortgagee is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any covenant, condition or term that Mortgagor has failed to perform or observe, without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor. Performance or payment by Mortgagee of any obligation of Mortgagor shall not relieve Mortgagor of said obligation or of the consequences of having failed to perform or pay the same and shall not effect the cure of any Event of Default.

1.19 Payment of Superior Liens. To the extent that Mortgagee, after the date hereof, pays any sum due under any provision of law or instrument or document creating any lien superior or equal in priority in whole or in part to the lien of this Mortgage, Mortgagee shall have and be entitled to a lien on the premises equal in parity with that discharged, and Mortgagee shall be subrogated to and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit Mortgagee to secure the Note and all obligations and liabilities secured hereby. Mortgagee shall be subrogated, notwithstanding their release of record, to mortgages, trust deeds, superior titles, vendors' liens, mechanics' and materialmen's liens, charges, encumbrances, rights and equities on the Mortgaged Property to the extent that any obligation under any thereof is paid or discharged with proceeds of disbursements or advances under the Note or other indebtedness secured hereby.

1.20 Use of the Mortgaged Property. Mortgagor shall not suffer or permit the Mortgaged Property, or any portion thereof, to be used by the public, as such, without restriction or in such manner as might reasonably tend to impair Mortgagor's title to the Mortgaged Property or any portion thereof, or in such manner as might reasonably make possible a claim or claims of easement by prescription or adverse

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possession by the public, as such, or of implied dedication of the Mortgaged Property or any portion thereof. Mortgagor shall not use or permit the use of the Mortgaged Property or any portion thereof for any unlawful purpose.

1.21 Litigation Involving Mortgaged Property. Mortgagor shall promptly notify Mortgagee of any litigation, administrative procedure or proposed legislative action initiated against Mortgagor or the Mortgaged Property or in which the Mortgaged Property is directly or indirectly involved including any proceedings which seek to (i) enforce any lien against the Mortgaged Property, (ii) correct, change or prohibit any existing condition, feature or use of the Mortgaged Property, (iii) condemn or demolish the Mortgaged Property, (iv) take, by the power of eminent domain, any portion of the Mortgaged Property or any property which would damage the Mortgaged Property, (v) modify the zoning applicable to the Mortgaged Property, or (vi) otherwise adversely affect the Mortgaged Property. Mortgagor shall initiate or appear in any legal action or other appropriate proceedings when necessary to protect the Mortgaged Property from damage. Mortgagor shall, upon written request of Mortgagee, represent and defend the interests of Mortgagee in any proceedings described in this Paragraph 1.21 or, at Mortgagee's election, pay the reasonable fees and expenses of any counsel retained by Mortgagee to represent the interest of Mortgagee in any such proceedings.

1.22 Furnishing of Financial Statements and Reports to Mortgagee. Mortgagor covenants and agrees that it will keep and maintain books and records of account, or cause books and records of account to be kept and maintained in which full, true and correct entries shall be made of all dealings and transactions relative to the Mortgaged Property, which books and records of account shall, at reasonable times and on reasonable notice, be open to the inspection of Mortgagee and its accountants and other duly authorized representatives. Such books of record and account shall be kept and maintained either:

(a) In accordance with generally accepted accounting practices consistently applied; or

(b) In accordance with a cash basis or other recognized comprehensive basis of accounting consistently applied.

After the Rehabilitation Stage has been completed, Mortgagor covenants and agrees to furnish or cause to be furnished to Mortgagee, within thirty (30) days of the end of each fiscal quarter of Mortgagor, a financial statement of the Mortgaged Premises satisfactory to Mortgagee, including a balance sheet and supporting schedules and containing a detailed statement of income and expenses, and such other information as Mortgagee may reasonably require. Mortgagor shall certify that each such report presents fairly the financial condition of the Mortgaged Property. When, and so long as, the cash flow derived from the Mortgaged Property exceeds the expenses relating thereto, the reports shall be furnished to Mortgagee annually, within sixty (60) days of the end of Mortgagor's fiscal year.

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ARTICLE II

DEFAULTS

2.1 Event of Default. The term "Event of Default," wherever used in this Mortgage, shall mean any one or more of the following events:

(a) If Mortgagor shall (i) fail to pay when due any sums to be paid by Mortgagor hereunder unless such payment is made within fifteen (15) days from the date such payment is due, or (ii) fail to keep, perform or observe any other covenant, condition or agreement on the part of Mortgagor in this Mortgage (provided that, a breach of the covenants contained in Paragraph 1.3, the first sentence of Paragraph 1.9(a), and clause (i) in Paragraph 1.6.2 shall not result in an Event of Default unless such breach shall continue unremedied for thirty (30) days after Mortgagee notifies Mortgagor of such breach) or in the event such a breach is not capable of being cured within such thirty (30) day period Mortgagor shall be given up to ninety (90) days to cure the breach during which time Mortgagor shall be delinquent attempting to cure the breach.

(b) If an "Event of Default" or default shall occur under the Note, the Loan Agreement or any of the other Loan Instruments, which is not cured within any applicable grace or cure period.

(c) A material uninsured loss, damage, destruction or taking by eminent domain or other condemnation proceedings of any substantial portion of the Mortgaged Property or any part of the Mortgaged Property which materially impairs any of the intended uses of the Mortgaged Property and with respect to which Mortgagor fails to deposit funds necessary to restore and repair the Mortgaged Property as provided in Paragraph 1.6.5.

(d) The occurrence of a sale, assignment, conveyance, transfer, mortgage, lien or encumbrance of, or execution of a contract for any of the foregoing, in violation of Paragraph 1.10 hereof.

ARTICLE III

REMEDIES

3.1 Acceleration of Maturity. If an Event of Default shall have occurred, the Mortgagee may declare the outstanding principal amount of the Note and the interest accrued thereon and any other of the Liabilities to be immediately due and payable, and upon such declaration such principal and interest and other the Liabilities declared due shall immediately become and be due and payable without further demand or notice; provided however that if Mortgagor, files for bankruptcy or makes an assignment for the benefit of creditors the outstanding principal amount of the

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Note and the accrued interest thereon and any other of the Liabilities shall immediately and automatically, be immediately due and payable, without notice of any kind.

3.2 Mortgagee's Power of Enforcement. If an Event of Default shall have occurred, Mortgagee may, either with or without entry or taking possession as provided in this Mortgage or otherwise, and without regard to whether or not the Liabilities shall have been accelerated, and without prejudice to the right of Mortgagee thereafter to bring an action of foreclosure or any other action for any default existing at the time such earlier action was commenced or arising thereafter, proceed by any appropriate action or proceeding: (a) to enforce payment of the Note and/or any other of the Liabilities or the performance of any term hereof or any of the other Loan Instruments; (b) to foreclose this Mortgage and to have sold, as an entirety or in separate lots or parcels, the Mortgaged Property; and (c) to pursue any other remedy available to it, including, without limitation, the completion of the Project, as such term is defined in the Loan Agreement, pursuant to the terms and conditions of the Loan Agreement. Mortgagee may take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as Mortgagee may determine.

3.3 Mortgagee's Right to Enter and Take Possession, Operate and Apply Income.

(a) If an Event of Default shall have occurred, and continues beyond any applicable grace or cure period, and upon approval by the court if prior to the entry of a judgment of foreclosure and after entry as permitted by law, Mortgagor, upon demand of Mortgagee, shall forthwith surrender to Mortgagee the actual possession of the Mortgaged Property and, if and to the extent permitted by law, Mortgagee itself, or by such officers or agents as it may appoint, is hereby expressly authorized to enter and take possession of all or any portion of the Mortgaged Property and may exclude Mortgagor and its agents and employees wholly therefrom and shall have joint access with Mortgagor to the books, papers and accounts of Mortgagor.

(b) If Mortgagor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof as provided above, Mortgagee may obtain a judgment or decree conferring on Mortgagee the right to immediate possession or requiring Mortgagor to deliver immediate possession of all or part of the Mortgaged Property to Mortgagee, to the entry of which judgment or decree Mortgagor hereby specifically consents. Mortgagor shall pay to Mortgagee, upon demand, all costs and expenses of obtaining such judgment or decree and reasonable compensation to Mortgagee, its attorneys and agents, and all such costs, expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

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(c) Upon every such entering upon or taking of possession, Mortgagee, to the extent permitted by law, may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof, and, from time to time:

(i) perform such construction, make all necessary and proper maintenance, repairs, renewals, replacements, additions and improvements thereto and thereon, and purchase or otherwise acquire additional fixtures and personal property;

(ii) Insure or keep the Mortgaged Property insured;

(iii) manage and operate the Mortgaged Property and exercise all the rights and powers of Mortgagor, on its behalf or otherwise, with respect to the same;

(iv) enter into agreements with others to exercise the powers herein granted Mortgagee, as Mortgagee from time to time may determine; and Mortgagee may collect and receive all the rents, income and other benefits of the Mortgaged Property, including those past due as well as those accruing thereafter; and shall apply the monies so received by Mortgagee, in such priority as Mortgagee may determine, to (1) the payment of interest, principal and other payments due and payable on the Note or pursuant to this Mortgage or to any other of the Liabilities, (2) deposits for taxes and assessments, (3) the payment or creation of reserves for payment of insurance, taxes, assessments and other proper charges or liens or encumbrances upon the Mortgaged Property or any part thereof, and (4) the reasonable compensation, expenses and disbursements of the agents, attorneys and other representatives of Mortgagee; and

(v) exercise such remedies as are available to Mortgagee under the Loan Instruments or at law or in equity.

Mortgagee shall surrender possession of the Mortgaged Property to Mortgagor only when all amounts then due under any of the terms of this Mortgage shall have been paid and all other defaults have been cured. However, the same right to take possession shall exist if any subsequent Event of Default shall occur and continues beyond any applicable grace or cure period.

3.4 Leases. Mortgagee is authorized to foreclose this Mortgage subject to the rights, if any, of any or all tenants of the Mortgaged Property, even if the rights of any such tenants are or would be subordinate to the lien of this Mortgage. The failure to make any subordinate tenant a party defendant to any foreclosure proceedings and to foreclose its rights will not be, nor be asserted by Mortgagor, any junior lien holder, any tenant or any other party claiming by, through or under

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Mortgagor to be, a defense to any such foreclosure proceeding or any other proceedings instituted by Mortgagee to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

3.5 Purchase by Mortgagee. Upon any foreclosure sale, Mortgagee may bid for and purchase all or any portion of the Mortgaged Property and, upon compliance with the terms of the sale and applicable law, may hold, retain and possess and dispose of such property in its own absolute right without further accountability.

3.6 Application of Foreclosure Sale Proceeds. The proceeds of any foreclosure sale of the Mortgaged Property or any part thereof received by Mortgagee shall be applied by Mortgagee to the indebtedness secured hereby in such order and manner as Mortgagee may elect in a written notice to Mortgagor given on or before sixty (60) days following confirmation of the sale and in the absence of such election, then first to expenses of sale, then to expenses including attorneys' fees of the foreclosure proceeding, then to interest and then to principal.

3.7 Application of Indebtedness Toward Purchase Price. Upon any foreclosure sale, Mortgagee may apply any or all of the indebtedness and other sums due to Mortgagee under the Note, this Mortgage, the Loan Agreement or any other Loan Instrument or any other of the Liabilities, or any decree in lieu thereof, toward the purchase price.

3.8 Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws. Mortgagor agrees, to the full extent permitted by law, that in case of an Event of Default which continues beyond any applicable grace or cure period, neither Mortgagor nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisal, valuation, stay or extension laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser thereof. Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that Mortgagee or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety. Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in Section 5/15-1201 of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-101 et seq.) (herein called the "Act") or residential real estate (as defined in Section 5/15-1219 of the Act), and to the full extent permitted hereby voluntarily and knowingly waives its rights to reinstatement and redemption as allowed under Section 5/15-1601(b) of the Act.

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3.9 Receiver - Mortgagee In Possession. If an Event of Default shall have occurred and continues beyond any applicable grace or cure period, Mortgagee, to the extent permitted by law and without regard to the value of the Mortgaged Property or the adequacy of the security for the indebtedness and of sums secured hereby, shall be entitled as a matter of right and without any additional showing or proof, at Mortgagee's election, to either the appointment by the court of a receiver (without the necessity of Mortgagee posting a bond) to enter upon and take possession of the Mortgaged Property and to collect all rents, income and other benefits thereof and apply the same as the court may direct or to be placed by the court into possession of the Mortgaged Property as mortgagee in possession with the same power herein granted to a receiver and with all other rights and privileges of a mortgagee in possession under law. The right to enter and take possession of and to manage and operate the Mortgaged Property, and to collect all rents, income and other benefits thereof, whether by receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law and may be exercised concurrently therewith or independently thereof. Mortgagee shall be liable to account only for such rents, income and other benefits actually received by Mortgagee, whether received pursuant to this Paragraph 3.9 or Paragraph 3.3. Notwithstanding the appointment of any receiver or other custodian, Mortgagee shall be entitled as pledgee to the possession and control of any cash, deposits or instruments at the time held by, or payable or deliverable under the terms of this Mortgage to Mortgagee.

3.10 Suits to Protect the Mortgaged Property. Mortgagee shall have the power and authority (but not the duty) to institute and maintain any suits and proceedings as Mortgagee may deem advisable (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or which violate the terms of this Mortgage, (b) to preserve or protect its interest in the Mortgaged Property, or (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Mortgagee's interest.

3.11 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting Mortgagor, Mortgagee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claims allowed in such proceedings for the entire amounts due and payable under the Note, this Mortgage, the Loan Agreement and any other Loan Instrument, at the date of the institution of such proceedings, and for any additional amounts which may become due and payable after such date.

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3.12 Mortgagor to Pay the Liabilities In Event of Default: Application of Monies by Mortgagee.

(a) Upon occurrence of an Event of Default, Mortgagee shall be entitled to sue for and to recover judgment against Mortgagor for the Liabilities due and unpaid together with costs and expenses, including, without limitation, the reasonable compensation, expenses and disbursements of Mortgagee's agents, attorneys and other representatives, either before, after or during the pendency of any proceedings for the enforcement of this Mortgage; and the right of Mortgagee to recover such judgment shall not be affected by any taking of possession or foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

(b) In case of a foreclosure sale of all or any part of the Mortgaged Property and of the application of the proceeds of sale to the payment of the Liabilities, Mortgagee shall be entitled to enforce all other rights and remedies under the Loan Instruments.

(c) Mortgagor hereby agrees, to the extent permitted by law, that no recovery of any judgment by Mortgagee under any of the Loan Instruments, and no attachment or levy of execution upon any of the Mortgaged Property or any other property of Mortgagor, shall (except as otherwise provided by law) in any way affect the lien of this Mortgage upon the Mortgaged Property or any part thereof or any lien, rights, powers or remedies of Mortgagee hereunder, but such lien, rights, powers and remedies shall continue unimpaired as before until the Liabilities are paid in full.

(d) Any monies collected or received by Mortgagee under this Paragraph 3.12 shall be applied to the payment of reasonable compensation, expenses and disbursements of the agents, attorneys and other representatives of Mortgagee, and the balance remaining shall be applied to the payment of the Liabilities and any surplus, after payment of all of the Liabilities, shall be paid to Mortgagor.

3.13 Delay or Omission. No delay or omission of Mortgagee in the exercise of any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy, or be construed to waive any such Event of Default which continues beyond any applicable grace or cure period, or to constitute acquiescence therein. Every right, power and remedy given to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee.

3.14 Waiver of Default. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other Event of Default then existing, or impair any rights, powers or remedies in respect thereof. If Mortgagee (a) grants forbearance or an extension of time for the payment of any sums secured hereby, (b) takes other or additional security for the payment thereof, (c) waives or does not

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exercise any right granted in the Note, this Mortgage, the Loan Agreement or any other Loan Instrument, (d) releases any part of the Mortgaged Property from the lien of this Mortgage or any other Loan Instrument, (e) consents to the filing of any map, plat or replat of the Land, (f) consents to the granting of any easement on the Land, or (g) makes or consents to any agreement changing the terms of this Mortgage or subordinating the lien or any charge hereof, no such act or omission shall release, discharge, modify, change or affect the lien of this Mortgage or any other Loan Instrument or the liability under the Note or other Loan Instruments of Mortgagor, any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor, except as otherwise expressly provided in an instrument or instruments executed by Mortgagee. Except as otherwise expressly provided in an instrument or instruments executed by Mortgagee, no such act or omission shall preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in case of any Event of Default then existing or of any subsequent Event of Default, nor shall the lien of this Mortgage be altered thereby, except to the extent of any releases as described in clause (d), above, of this Paragraph 3.14.

3.15 Discontinuance of Proceedings; Position of Parties Restored. If Mortgagee shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or such proceedings shall have resulted in a final determination adverse to Mortgagee, then and in every such case Mortgagor and Mortgagee shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Mortgagee shall continue as if no such proceedings had occurred or had been taken.

3.16 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by the Note, this Mortgage or any other Loan Instrument or any instrument evidencing or securing the Liabilities, is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Note or any other Loan Instrument or any instrument evidencing or securing the Liabilities, or now or hereafter existing at law, in equity or by statute.

ARTICLE IV

MISCELLANEOUS PROVISIONS

4.1 Heirs, Successors and Assigns Included In Parties. Whenever Mortgagor or Mortgagee is named or referred to herein, heirs and successors and assigns of such person or entity shall be included, and all covenants and agreements contained in this Mortgage shall bind the successors and assigns of Mortgagor, - including any subsequent owner of all or any part of the Mortgaged Property and

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Inure to the benefit of the successors and assigns of Mortgagee. This Paragraph 4.1 shall not be construed to permit an assignment, transfer, conveyance, encumbrance or other disposition otherwise prohibited by this Mortgage.

4.2 Notices. All notices, requests, reports, demands or other instruments required or contemplated to be given or furnished under this Mortgage to Mortgagor or Mortgagee shall be directed Mortgagor or Mortgagee as the case may be at the following addresses:

If to Mortgagee: LaSalle National Bank
135 S. LaSalle Street
Chicago, Illinois 60603
Attn: Community Development Department
Fax: (312) 904-6467

If to Mortgagor: WECAN
6450 S. Stony Island
Chicago, Illinois 60637
Attn: Ms. Mattie Butler

With a copy to: David L. Goldstein
35 E. Wacker Drive, Suite 1750
Chicago, IL 60601
Fax: (312) 782-4510

Any such notices, requests, reports, demands or other instruments shall be deemed to have been duly given if given as provided for in the Loan Agreement. Notice given in any other manner shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Either party may change the address to which any such notice, report, demand or other instrument is to be delivered by furnishing written notice of such change to the other party in compliance with the foregoing provisions.

4.3 Headings. The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience only, are not to be considered a part hereof, and shall not limit, expand or otherwise affect any of the terms hereof.

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4.4 Invalid Provisions. In the event that any of the covenants, agreements, terms or provisions contained in the Note, this Mortgage, the Loan Agreement or in any other Loan Instrument shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein or in the Note or in any other Loan Instrument (or the application of the covenant, agreement, term held to be invalid, illegal or unenforceable, to persons or circumstances other than those in respect of which it is invalid, illegal or unenforceable) shall be in no way affected, prejudiced or disturbed thereby.

4.5 Changes. Neither this Mortgage nor any term hereof may be changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the release, change, waiver, discharge or termination is sought.

4.6 Governing Law. This Mortgage shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Illinois.

4.7 Required Notices. Mortgagor shall notify Mortgagee promptly of the occurrence of any of the following: (i) receipt of notice from any governmental authority relating to the violation of any rule, regulation, law or ordinance, the enforcement of which would materially and adversely affect the Mortgaged Property; (ii) material default of any tenant leasing all or any portion of the Mortgaged Property or receipt of any notice from any such lessee claiming that a default by landlord has occurred under the lease; or (iii) commencement of any judicial or administrative proceedings by or against or otherwise adversely affecting Mortgagor or the Mortgaged Property.

4.8 Release. Upon full payment of the Liabilities, Mortgagee shall issue to Mortgagor an appropriate release deed in recordable form.

4.9 Compliance with Illinois Mortgage Foreclosure Law.

(a) In the event that any provision in this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

(b) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law.

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(c) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

4.10 Maximum Liabilities. In no event shall the Liabilities secured hereby exceed \$360,000.00.

4.11 Conflicts. In the event of any inconsistency or conflict between the terms of the Loan Instruments and this Mortgage, the terms of the Mortgage shall control.

4.12 Submission to Jurisdiction; Waiver of Bond. MORTGAGOR HEREBY CONSENTS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN COOK COUNTY, ILLINOIS AND WAIVES ANY OBJECTION WHICH MORTGAGOR MAY HAVE BASED ON IMPROPER VENUE OR FORUM NON CONVENIENS TO THE CONDUCT OF ANY PROCEEDING IN ANY SUCH COURT AND CONSENTS THAT ALL SERVICE OF PROCESS UPON IT BE MADE BY CERTIFIED OR REGISTERED MAIL OR MESSENGER DIRECTED TO IT AT THE ADDRESS SET FORTH IN PARAGRAPH 4.2 ABOVE AND THAT SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED UPON THE EARLIER OF ACTUAL RECEIPT OR THREE (3) DAYS AFTER THE SAME SHALL HAVE BEEN POSTED TO MORTGAGOR'S ADDRESS BY MORTGAGOR'S AGENT AS SET FORTH BELOW. NOTHING CONTAINED IN THIS PARAGRAPH 4.12 SHALL AFFECT THE RIGHT OF MORTGAGEE TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF MORTGAGEE TO BRING ANY ACTION OR PROCEEDING AGAINST MORTGAGOR OR THE MORTGAGED PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

4.13 JURY WAIVER. MORTGAGOR AND MORTGAGEE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE IRREVOCABLY THE RIGHT THEY MAY HAVE TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED HEREIN, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THE NOTE, THE INDEBTEDNESS HEREBY SECURED, OR THE MORTGAGED PROPERTY, OR ANY AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith OR ANY COURSE OF CONDUCT OR COURSE OF DEALING IN WHICH MORTGAGEE AND MORTGAGOR ARE ADVERSE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR MORTGAGEE IN GRANTING ANY FINANCIAL ACCOMMODATION TO MORTGAGOR.

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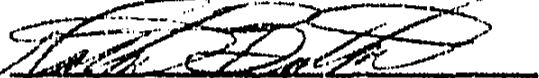
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IN WITNESS WHEREOF, Mortgagor has executed this instrument as of the day and year first above written.

WOODLAWN EAST COMMUNITY AND
NEIGHBORS, INC.

By:

Title:



Ed. Davis

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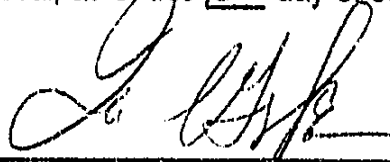
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STATE OF ILLINOIS)
)
COUNTY OF COOK) SS:

I, the undersigned, a Notary Public, in and for the County and State aforesaid,
DO HEREBY CERTIFY, that Elaine Butler, the Q. President
(Name) (Title)

of Woodlawn East Community and Neighbors, Inc., personally known to me to be the
same person whose name is subscribed to the foregoing instrument, appeared before
me this day in person and acknowledged that she signed and delivered the said
instrument as her own free and voluntary act, and as the free and voluntary act of
said organization, for the uses and purposes therein set forth.

Given under my hand and official seal, as of this 15th day of July, 1997.



Notary Public

Commission Expires:



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EXHIBIT A

LOT 33 AND THE EAST 9 FEET 11 3/4 INCHES OF LOT 32 IN WOODLAWN TERRACE, A SUBDIVISION OF THE SOUTH 325 FEET OF THE NORTH 1,815 FEET OF THAT PART LYING EAST OF THE ILLINOIS CENTRAL RAILROAD OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

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EXHIBIT B

Permitted Encumbrances

1. Real estate taxes and assessments that are not yet due and payable.
2. Second mortgage in the amount of \$180,000 to Neighborhood Lending Services, Inc.
3. *Exceptions 2 and 3 to Commitment No. 205640 for title insurance issued by First American Title Insurance Company dated June 27, 1997.*

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EXHIBIT C

Leases

<u>Address</u>	<u>Tenant</u>	<u>Term</u>
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None

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