

UNOFFICIAL COPY

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Prepared by C. Renfro (LL), CHSI, P. O. Box 790001,
St. Louis, MO 63141. CHSI Account # 1806735

RELEASE OF MORTGAGE BY CORPORATION:

Know all men by these presents, that the Citicorp Homeowners, Inc., a corporation organized and existing under and by virtue of the laws of the State of Delaware having its principal office at 1299 Clayton Road West, St. Louis, Missouri 63011 for and in consideration of one dollar and for other good and valuable considerations, the receipt of which is hereby confessed, does hereby, Remise, Convey, Release and Quit-Claim unto Charles Conway and Catherine Conway, his wife

of the County of Cook, State of Illinois, all right title, interest, claim or demand whatsoever it may have acquired in, through or by a certain Mortgage deed bearing the date the 26th day of November, A.D. 1984, recorded in the Recorder's Office of Cook County in the State of Illinois in Book No. of Records as Document No. LR 3406889 on page to the premises therein described, situate in the County of Cook and the State of Illinois as follows, to-wit:

Lot Eleven (11) in Block Eleven (11) in Busse's Eastern Addition to Mount Prospect, in the East Half (1/2) of Sect. 04, 12. Township 41 North, Range 11, East of the Third Principal Meridian, in Cook County, Illinois.

FOR THE PROTECTION OF THE OWNER, THIS RELEASE SHALL BE FILED WITH THE RECORDER-

OF DEEDS IN WHOSE OFFICE THE MORTGAGE OR DEEDS OF TRUST WAS FILED.

This release is made, executed and delivered pursuant to authority given by the Board of Directors of Said Corporation.

In Testimony Whereof, the Said Citicorp Homeowners, Inc. hath hereunto caused its corporate seal to be affixed and these presents to be signed by its Vice President and attested by its Assistant Secretary, this 22nd day of October, 1986.

CITICORP HOMEOWNERS, INC.

BY: Ron Slaviero
Ron Slaviero
Vice President

Attest: Stuart Take
Stuart Take
Assistant Secretary

STATE OF MISSOURI
COUNTY OF ST. LOUIS

I, Beth A. Malm, a Notary Public in and for said County in the State aforesaid do certify that Ron Slaviero personally known to me to be the Vice President of the Citicorp Homeowners, Inc., and Stuart Take personally known to me to be the Assistant Secretary of said Corporation whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Assistant Secretary they signed and delivered the said instrument of writing as Vice President and Assistant Secretary of said Corporation, and caused the seal of said Corporation to be affixed thereto pursuant to authority given by the Board of Directors of said Corporation as their free and voluntary act, and as the free and voluntary act and deed of said Corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal this 22nd day of October, 1986.

BETH A. MALM
NOTARY PUBLIC, STATE OF MISSOURI
MY COMMISSION EXPIRES 4/17/89
ST. LOUIS COUNTY
My Commission Expires:

Beth A. Malm
Notary Public Beth A. Malm

3589399

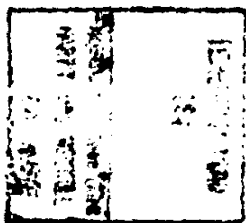
LEGAL FOLLOWING INSTRUMENT
CANCELLED NOTE EXHIBITED

County Clerk's Office

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Property of Cook County Clerk's Office

INTERCOUNTY
TITLE BLDG. 600 S 111th ST
BOX 97



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COOK COUNTY CLERK'S OFFICE

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TOGETHER with all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily);

TOGETHER with any and all buildings and improvements now or hereafter erected on the premises, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles owned by Mortgagor attached to said buildings and improvements and all tangible personal property owned by Mortgagor now or any time hereafter located on or at the premises or used in connection therewith, including, but not limited to, all goods, machinery, tools, equipment (including fire sprinklers and alarm systems, air conditioning, heating, boilers, refrigerating, electronic monitoring, water, lighting, power, sanitation, waste removal, entertainment, recreational, window or structural cleaning rigs, maintenance and all other equipment of every kind), lobby and all other indoor or outdoor furniture (including tables, chairs, planters, desks, sofas, shelves, lockers and cabinets), furnishings, appliances, inventory, rugs, carpets and other floor coverings, draperies, drapery rods and brackets, awnings, venetian blinds, partitions, chandeliers and other lighting fixtures, and all other fixtures, apparatus, equipment, furniture, furnishings, and articles used in connection with the operation of a hotel on the premises, it being understood that the enumeration of any specific articles of property shall in no wise result in or be held to exclude any items of property not specifically mentioned;

TOGETHER with all the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereinafter acquire in the premises, and any and all awards made for the taking of eminent domain, or by any proceedings or purchase in lieu thereof, or of the whole or any part of the premises, including without limitation any awards resulting from the change of grade of streets and awards for severance damages.

All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall for the purposes of this Mortgage be deemed to be real estate and conveyed and mortgaged hereby.

TO HAVE AND TO HOLD the premises unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

Maintenance, Alterations, Repair and Restoration of Improvements, Payment of Prior Liens, Etc.

1. Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed, all repairs and maintenance required of Mortgagor are to

3589302

be of first-class quality; (b) keep the premises in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for lien not expressly subordinated to the lien hereof; provided, however, that Mortgagor shall have the right to contest in good faith and with reasonable diligence the validity of any such lien or claim upon furnishing (i) to the title insurance company approved by Mortgagee such security or indemnity as it may require to induce said title insurance company to issue its title insurance commitments or its mortgage title insurance policies insuring against all such claims or liens, or (ii) to Mortgagee such other security with respect to such claim as may be acceptable to Mortgagee; (c) except as otherwise provided in this Mortgage, no part of any building or improvements on the premises shall be removed, demolished or altered in any manner without the prior written consent of Mortgagee and no alterations or improvements shall be made which would reduce the value of the buildings or improvements or impair the soundness thereof; (d) pay when due any indebtedness which may be secured by a lien or charge on the premises on a parity with or superior to the lien hereof (including the obligations under the first Mortgage) and comply with all requirements of all loan documents evidencing or securing such indebtedness, and when such prior lien is discharged, upon request, exhibit satisfactory evidence of the discharge to Mortgagee; (e) comply with all requirements of law, municipal ordinances or restrictions of record with respect to the premises and the use thereof; (f) initiate or acquiesce in no zoning variation or reclassification without Mortgagee's written consent; (g) pay each item of indebtedness secured by this mortgage when due according to the terms hereof or of the Note, and (h) suffer or permit no change in the general nature of the occupancy of the premises without Mortgagee's written consent.

Payment of Taxes

2. Mortgagor shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges and other charges against the premises when due, provided that, when permitted by the taxing authority, the same may be paid in installments if each installment is paid when due) and shall, upon written request, furnish to Mortgagee duplicate receipts therefor. To prevent default hereunder, Mortgagor shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagor may decide to contest.

Tax Deposits

3. Commencing at such time as Mortgagee requests and on the first day of each month thereafter until the indebtedness secured by this Mortgage is fully paid, Mortgagor covenants and agrees to deposit at such place as Mortgagee may from time to time in writing appoint, and in the absence of such appointment, then at the office of Citicorp Real Estate, Inc. in Chicago, Illinois, a sum equal to one-twelfth of the last total annual taxes and assessments for the last ascertainable year (general and special) on the premises (unless said taxes are based upon assessments which exclude the improvements or any part thereof now constructed, or to be constructed, in which event the amount of such deposits shall be based upon Mortgagee's reasonable estimate

3589002

as to the amount of taxes and assessments to be levied and assessed). Mortgagor, concurrently with the first monthly deposit of taxes required hereunder, will also (i) deposit with Mortgagee an amount, based upon the taxes and assessments so ascertainable or so estimated by Mortgagee, as the case may be, for taxes and special assessments on said premises, on the accrual basis, for the period commencing January 1 of the year succeeding the most recent year for which all taxes and assessments have been paid, and terminating on the date of such first monthly deposit, or (ii) provide Mortgagee with collateral or assurances reasonably satisfactory to Mortgagee that the taxes and assessments referred to in this sentence will be paid when due. If the funds so deposited are insufficient to pay any such taxes or assessments (general and special) for any year when the same shall become due and payable, Mortgagor shall, within ten (10) days after receipt of demand therefor from Mortgagee, deposit such additional funds as may be necessary to pay such taxes and assessments (general and special) in full. If the funds so deposited exceed the amount required to pay such taxes and assessments (general and special) for any year, the excess shall be applied toward a subsequent deposit or deposits due from Mortgagor.

Insurance and Premium Deposits

4. (a) Mortgagor shall maintain casualty, liability and other policies of insurance relating to the premises as required by Mortgagee. All policies of insurance to be furnished hereunder shall be in forms, companies and amounts satisfactory to Mortgagee, with mortgagee clauses attached to all policies in favor of and in form satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days prior written notice to Mortgagee. Mortgagor shall deliver all policies, including additional and renewal policies, together with evidence of payment of premiums thereon, to Mortgagee, and in the case of all insurance about to expire, shall deliver renewal policies not less than fifteen (15) days prior to their respective dates of expiration. Any and all insurance required hereunder may be in the form of endorsements to a blanket policy provided such insurance is effective with respect to the premises.

Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a standard, non-contributory mortgagee clause acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the original policy or policies of such insurance.

(b) Commencing at such time as the Mortgagee requests, and on the first day of each month thereafter until the indebtedness secured by this mortgage is fully paid, Mortgagor covenants and agrees to deposit at such place as Mortgagee may from time to time in writing appoint, and in the absence of such appointment, then at the office of Citicorp Real Estate, Inc. in Chicago, Illinois, an installment of the premium or premiums that will become due and payable to renew the insurance as required in Section 4(a) hereof. Each of such installments shall be in an amount

3589002

which, by the payment of approximately equal installments, will result in there accumulating in the hands of the depository a sufficient amount to pay renewal premiums upon such policies of insurance, at least one month prior to the expiration date or dates of the policy or policies to be renewed. If the funds so deposited are insufficient to pay all premiums for such renewals, Mortgagor shall within ten (10) days after receipt of demand therefor from Mortgagee, deposit such additional funds as may be necessary to pay such premiums. If the funds so deposited exceed the amount required to pay such premiums, the excess shall be applied toward a subsequent deposit or deposits due from Mortgagor.

Mortgagee's Interest in and Use of Deposits

5. In the event of a default in any of the provisions contained in this Mortgage, the Note, or the Loan Documents, Mortgagee may, at its option, without being required to do so, apply any moneys at the time on deposit pursuant to any provision of this Mortgage, as any one or more of the same may be applicable, on any of Mortgagor's obligations herein or in the Note or Loan Documents contained, in such order and manner as Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the premises. Such deposits are hereby pledged as additional security for the indebtedness hereunder and shall be held to be irrevocably applied by the depository for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor; provided, however, that neither Mortgagee nor said depository shall be liable for any failure to apply to the payment of taxes and assessments or insurance premiums any amount so deposited unless Mortgagor, while not in default hereunder, shall have requested said depository in writing to make application of such funds to the payment of the particular taxes or assessments or the payment of the particular insurance premiums as the case may be for payment of which they were deposited, accompanied by the bills for such taxes and assessments or insurance premiums.

Stamp Tax

6. If, by the laws of the United States of America, or of any state or political subdivision having jurisdiction over Mortgagor, any tax is due or becomes due in respect of the issuance of the Note, or recording of this mortgage, Mortgagor covenants and agrees to pay such tax in the manner required by any such law. Mortgagor further covenants to hold harmless and agrees to indemnify Mortgagee, its successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the Note, or recording of this Mortgage.

Prepayment Privilege

7. Mortgagor shall have the privilege of making prepayment on the principal of the Note in whole or in part, to the extent provided in, and in accordance with the terms and conditions set forth in the Note.

Effect of Extensions of Time

8. If the payment of the indebtedness secured by this Mortgage or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in the premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse, if any, against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release.

Effect of Changes in Laws Regarding Taxation

9. In the event of the enactment after this date of any law of the State of Illinois deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the property, or the manner of collection of taxes, so as to adversely affect this Mortgage or the debt secured hereby or the Holders, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments, or reimburse Mortgagee therefor; provided, however, that if in the opinion of counsel for Mortgagee (a) it might be unlawful to require Mortgagor to make such payment or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, Mortgagee may elect by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable ninety (90) days from the giving of such notice.

Mortgagee's Performance of Defaulted Acts; Subrogation

10. In case Mortgagor fails to perform any of its covenants and agreements herein or in the Note or any Loan Documents, Mortgagee may, but need not, make any payment or perform any act herein or therein required of Mortgagor, in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other moneys advanced by Mortgagee to protect the premises and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Post Maturity Rate (as such term is defined in Section 26 hereof). Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor. Should the proceeds of the Note or any part thereof, or any amount paid out or advanced hereunder by Mortgagee, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any lien or encumbrance upon the premises or any part thereof on a parity with or prior or superior to the

lien hereof, then as additional security hereunder, the Mortgagee shall be subrogated to any and all rights, equal or superior titles, liens and equities, owned or claimed by any owner or holder of said outstanding liens, charges and indebtedness, however remote, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment.

Mortgagee's Reliance on Tax Bills, Etc.

11. Mortgagee in making any payment hereby authorized: (a) relating to taxes and assessments may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

Acceleration of Indebtedness in Case of Default

12. Any of the following events shall be deemed an Event of Default hereunder:

(a) default shall be made with respect to covenants, agreements and obligations of Mortgagor hereunder involving the payment of interest or principal due under the Note, or default shall be made with respect to any other covenants, agreements and obligations of Mortgagor hereunder involving the payment of money; or

(b) default shall be made, with respect to non-monetary covenants, agreements and obligations, of Mortgagor hereunder and shall continue uncured for five (5) days after notice thereof from Mortgagee; or

(c) any default shall have occurred under the Note, or any Loan Documents and the default shall not have been cured within the applicable grace period provided therefor, if any; or

(d) any representation, certification or warranty of the Mortgagor contained herein or in any of the Loan Documents proves to be untrue in any material respect as of the date when made; or

(e) any unpermitted transfer of title described in Section 29 hereof shall occur.

(f) If all or substantially all of the assets of Beneficiary are attached, seized, subjected to a writ of distress warrant, or are levied upon or come into the possession of any receiver, trustee, custodian or assignee for the benefit of creditors;

(g) If Beneficiary is enjoined, restrained or in any way prevented by any court order from operating or rehabilitating the Project, or if a notice of lien, levy or assessment is filed of record with respect to all or any part of the property of Beneficiary, by the United States or any governmental department, office or agency, or if any pro-

3589002

ceeding is filed or commenced seeking to enjoin, restrain or in any way prevent the foregoing parties from conducting all or a substantial part of their business affairs, which, with respect to any of the foregoing, could in Mortgagee's reasonable judgment impair the value of Mortgagee's security in connection with the Loan;

(h) If any petition is filed by or against Beneficiary or any of its general partners under the Federal Bankruptcy Act or any similar state or Federal law, whether now or hereafter existing, which in Mortgagee's reasonable judgment could impair the value of Mortgagee's security in connection with the Loan.

Upon the occurrence of any Event of Default hereunder, the whole of said principal sum hereby secured shall, at once, at the option of Mortgagee, become immediately due and payable, together with accrued interest thereon, without any presentment, demand, protest or notice of any kind to Mortgagor.

Foreclosure; Expense of Litigation; Indemnification

13. If an Event of Default has occurred hereunder, or when the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof.

It is further agreed that if default be made in the payment of any part of the secured indebtedness, as an alternative to the right of foreclosure for the full secured indebtedness after acceleration thereof, Mortgagee shall have the right to institute partial foreclosure proceedings with respect to the portion of said indebtedness so in default, as if under a full foreclosure, and without declaring the entire secured indebtedness due (such proceeding being hereinafter referred to as a "partial foreclosure"), and provided that if foreclosure sale is made because of default of a part of the secured indebtedness, such sale may be made subject to the continuing lien of this mortgage for the unmatured part of the secured indebtedness; and it is agreed that such sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the unmatured part of the secured indebtedness, but as to such unmatured part this mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this Section. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Mortgagee may elect at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate the secured indebtedness by reason of any uncured default or defaults upon which such partial foreclosure was predicated or by reason of any other defaults, and proceed with full foreclosure proceedings. It is further agreed that several foreclosure sales may be made pursuant to partial foreclosure without exhausting the right of full or partial foreclosure sale for any unmatured part of the secured indebtedness, it being the purpose to provide for a partial foreclosure sale of the secured indebtedness for any matured portion of the secured indebtedness without exhausting the power to foreclose and to sell the premises pursuant to any such partial foreclosure for any other part of the secured

3589302

indebtedness whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure.

In connection with any foreclosure of the lien hereof or any action to enforce any other remedy of Mortgagee under this mortgage or the Note, Mortgagor agrees to pay all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title and value as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the premises and the right to such fees and expenses shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment. All expenditures and expenses of the nature in this Section mentioned, and such expenses and fees as may be incurred in the protection of the premises and the maintenance of the lien of this mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this mortgage, the Note or the premises (including without limitation the occupancy thereof or any construction work performed thereon), including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding whether or not an action is actually commenced, shall be immediately due and payable by Mortgagor, with interest thereon at the Post Maturity Rate (as hereinafter defined) and shall be secured by this mortgage.

Without limiting the liability of Mortgagor as set forth above, Mortgagor shall indemnify Mortgagee and hold it harmless from and against all claims, injury, damage, loss and liability of any and every kind to any persons or property by reason of (i) any construction work on the premises (ii) the operation or maintenance of the premises; or (iii) any other action or inaction by, or matter which is the responsibility of, Mortgagor, its agents or employees.

Application of Proceeds of Foreclosure Sale

14. The proceeds of any foreclosure sale of the premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding Section hereof; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note; and fourth, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

Appointment of Receiver

15. Upon, or at any time after the filing of a complaint to foreclose this mortgage, the court in which

3589002

such complaint is filed may appoint a receiver of the premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not and Mortgagee hereunder or any Holders may be appointed as such receiver. Such receiver shall have power: (a) to collect the rents, issues and profits of the premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits; (b) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale; notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; and (c) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by any decree foreclosing this mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; and (b) the deficiency in case of a sale and deficiency.

Assignment of Rents and Leases

16(a). To further secure the indebtedness secured hereby, Mortgagor hereby sells, assigns and transfers unto Mortgagee all the rents, issues and profits now due and which may hereafter become due under or by virtue of any lease, whether written or verbal, or any letting of, or of any agreement for the use or occupancy of the premises or any part thereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by Mortgagee under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all such leases and agreements, and all the avails thereunder, to Mortgagee and not merely the passing of a security interest. Mortgagor hereby irrevocably appoints Mortgagee its true and lawful attorney in its name and stead (with or without taking possession of the premises as provided in Section 18 hereof) to rent, lease or let all or any portion of the premises to any party or parties at such rental and upon such terms as said Mortgagee shall, in its discretion, determine, and to collect all of said avails, rents, issues and profits arising from or accruing at any

3589002

time hereafter, and all now due or that may hereafter become due under each and every of the leases and agreements, written or verbal, or other tenancy existing, or which may hereafter exist on the premises, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Mortgagee would have upon taking possession pursuant to the provisions of Section 18 hereof.

(b) Mortgagor represents and agrees that no rent has been or will be paid by any person in possession of any portion of the premises for more than one installment in advance and that, the payment of none of the rents to accrue for any portion of the said premises will be waived, released, reduced, discounted or otherwise discharged or compromised by Mortgagor, except as may be approved in writing by Mortgagee. As between Mortgagor and Mortgagee, Mortgagor waives any rights of set off against any person in possession of any portion of the premises. If any lease provides for the abatement of rent during repair of the premises demised thereunder by reason of fire or other casualty, Mortgagor shall furnish to Mortgagee rental insurance, the policies to be in amount and form and written by such insurance companies as shall be satisfactory to Mortgagee. Mortgagor agrees that it will not assign any of the rents or profits of the premises except to a purchaser or grantee of the premises.

(c) Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the taking of actual possession of the premises by Mortgagee pursuant to Section 18 hereof. In the exercise of the powers herein granted Mortgagee, no liability shall be asserted or enforced against Mortgagee, all such liability being expressly waived and released by Mortgagor.

(d) Mortgagor further agrees to assign and transfer to Mortgagee all future leases upon all or any part of the premises and to execute and deliver, at the request of Mortgagee, all such further assurances and assignments in the premises as Mortgagee shall from time to time reasonably require.

(e) Although it is the intention of the parties that the assignment contained in this Section 16 shall be a present absolute assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Mortgagee shall not exercise any of the rights or powers conferred upon it by this Section until an Event of Default shall have occurred under this mortgage, the Note, the Loan Documents or any other instrument evidencing or securing the indebtedness secured hereby and the default shall not have been cured within the applicable grace period provided therefor, if any.

Observance of Lease Assignment

17. Mortgagor expressly covenants and agrees that if Mortgagor, as lessor, shall fail to perform and fulfill any term, covenant, condition or provision under any lease or leases assigned and transferred unto Mortgagee under Section 16, or any of them, on its part to be performed or fulfilled, at the times and in the manner in said lease or leases provided, or if Mortgagor shall suffer or permit to occur any breach or default by Mortgagor under the provisions of any assignment

3589002

of any lease or leases of the premises given as additional security for the payment of the indebtedness secured hereby and such default shall not have been cured within the applicable grace period provided therefor, if any, then and in any such event, such breach or default shall constitute a default hereunder and at the option of Mortgagee all unpaid indebtedness secured by this mortgage shall, notwithstanding anything in the Note or in this mortgage to the contrary, become due and payable as in the case of other defaults.

Mortgagee's Right of Possession in Case of Default

18. In any case in which under the provisions of this mortgage Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, Mortgagor shall forthwith, upon demand of Mortgagee, surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of, the premises or any part thereof, personally, or by its agent or attorneys. In such event Mortgagee in its discretion may, with or without force and with or without process of law, as permitted by law, enter upon and take and maintain possession of all or any part of said premises, together with all documents, books, records, papers and accounts of Mortgagor or then owner of the premises relating thereto, and may exclude Mortgagor, its agents or servants, wholly therefrom and may, as attorney in fact or agent of Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power: (a) to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (b) to elect to disaffirm any lease or sublease which is then subordinate to the lien hereof; (c) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (d) to enter into any management, leasing or brokerage agreements covering the premises; (e) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the premises as to it may seem judicious; (f) to insure and reinsure the same and all risks incidental to Mortgagee's possession,

3589002

operation and management thereof; and (g) to receive all of such avails, rents, issues and profits; hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor.

Mortgagor hereby constitutes and appoints Mortgagee its true and lawful attorney-in-fact with full power of substitution either in the name of Mortgagee or in the name of Mortgagor, to exercise any of the powers granted to Mortgagee pursuant to this Section 18. Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur by reason of its performance of any action authorized under this Section 18 and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements of Mortgagor. Should Mortgagee incur any such liability, loss or damage, by its performance or nonperformance of actions authorized by this Section, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest on any such amount at the Post Maturity Rate (as that term is hereinafter defined) shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand.

Application of Income Received by Mortgagee

19. Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it by Section 16 and Section 18 hereof, shall have full power to use and apply the avails, rents, issues and profits of the premises to the payment of or on account of the following, in such order as Mortgagee may determine:

(a) to the payment of the operating expenses of the premises, including cost of management and leasing thereof (which shall include reasonable compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;

(b) to the payment of taxes and special assessments now due or which may hereafter become due on the premises;

(c) to the payment of all maintenance, repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the premises, and of placing the premises in such condition as will, in the judgment of Mortgagee, make it readily rentable; and

(d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

Mortgagee's Right of Inspection

20. Mortgagee shall have the right to inspect the premises at all reasonable times and access thereto shall be permitted for that purpose.

Condemnation

21. Mortgagor hereby assigns, transfers and sets over unto Mortgagee its entire interest in the proceeds (the "Condemnation Proceeds") of any award or any claim for damages for any of the premises taken or damaged under the power of eminent domain or by condemnation or any transaction in lieu of condemnation ("Condemnation"). Mortgagee shall have the right, at its option, to apply the Condemnation Proceeds upon or in reduction of the indebtedness secured hereby, whether due or not, and if the same are insufficient to pay such amount in full, Mortgagee may at its option declare the balance remaining unpaid on the Note and this mortgage to be due and payable forthwith and avail itself of any of the remedies provided herein or in the Note as in the case of default.

Release

22. If Mortgagor shall fully pay all principal and interest on the Note, and all other indebtedness secured hereby and comply with all of the other terms and provisions hereof to be performed and complied with by Mortgagor, then this mortgage and the other Loan Documents shall be released. Mortgagee shall release this mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and payment of any filing fee in connection with such release.

Giving of Notice

23. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given if hand delivered or if mailed (effective upon deposit thereof at any main or branch United States Post Office) by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Mortgagor:

c/o MAT Associates Incorporated
505 North Michigan Avenue
Suite 340
Chicago, Illinois 60611
Attn: Lester Mehlman or
David C. Kantorczyk

with a copy to:

Rudnick & Wolfe
30 North LaSalle Street
Chicago, Illinois 60602
Attn: Robert H. Goldman

UNOFFICIAL COPY

If to Mortgagee:

Citicorp Real Estate, Inc.
200 South Wacker Drive
Chicago, Illinois 60606
Attn: Regional Manager

with a copy to:

Sidley & Austin
One First National Plaza
Chicago, Illinois 60603
Attn: Paul D. Monson

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

Remedies Not Exclusive

24. No action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note. Mortgagee shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this mortgage or other agreement or any laws now or hereafter in force, notwithstanding some or all of the said indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this mortgage nor its enforcement, whether by court action or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this mortgage and any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given hereby to Mortgagee or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time, and as often as it may be deemed expedient by Mortgagee and Mortgagee may pursue inconsistent remedies. No waiver of any default of the Mortgagor hereunder shall be implied from any omission by the Mortgagee or Holders to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. No acceptance of any payment of any one or more delinquent installments which does not include interest at the penalty or Post Maturity Rate from the date of delinquency, together with any required late charge, shall constitute a waiver of the right of Mortgagee or Holders at any time thereafter to demand and collect payment of interest at such Post Maturity or penalty rate or of late charges, if any.

Waiver of Statutory Rights

25. To the extent permitted by law, Mortgagor hereby agrees that it shall not and will not apply for or

avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the premises sold as an entirety. To the extent permitted by law, Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this mortgage on its behalf and on behalf of each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the premises subsequent to the date of this mortgage. The foregoing waiver of right of redemption is made pursuant to Ill. Rev. Stat. ch. 77, § 18a (1981).

Post Maturity Rate

26. "Post Maturity Rate" as used herein shall mean interest at the Post Maturity Rate defined in the Note.

Binding on Successors and Assigns

27. This mortgage and all provisions hereof, shall be binding upon Mortgagor and all persons claiming under or through Mortgagor, and shall inure to the benefit of the Holders from time to time and of the successors and assigns of the Mortgagee.

Definitions of "Mortgagor" and "Mortgagee"

28. The word "Mortgagor" when used herein shall include: (a) the original Mortgagor named in the preambles hereof; (b) said original Mortgagor's successors and assigns; and (c) all owners from time to time of the premises. The words "Holders" and "Mortgagee" when used herein shall include all successors and assigns of the original Holders and Mortgagee identified in the preambles hereof.

Maintenance of Mortgagor's and Guarantor's Interests

29. In determining whether or not to make the loan secured hereby, Mortgagee examined the credit-worthiness of Beneficiary, found it acceptable and relied and continues to rely upon same as the means of repayment of the Loan. Mortgagee also evaluated the background and experience of Beneficiary, in owning and operating property such as the premises, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the premises which is Mortgagee's security for the Loan. Mortgagor is controlled by individuals or entities well-experienced in borrowing money and owning and operating property such as the premises, was ably represented by a licensed attorney at law in the negotiation and documentation of the loan secured hereby and bargained at arm's length and without duress of any kind for all of the terms and conditions of the Loan, including this provision. Mortgagor recognizes that Mortgagee is entitled to keep its loan portfolio at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchased by a party other

3589002

than the original Mortgagor. Mortgagor further recognizes that any secondary or junior financing placed upon the premises (a) may divert funds which would otherwise be used to pay the Note secured hereby; (b) could result in acceleration and foreclosure by any such junior encumbrancer which would force Mortgagee to take measures and incur expenses to protect its security; (c) would detract from the value of the premises should Mortgagee come into possession thereof with the intention of selling same; and (d) impair Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the premises.

In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security, both of repayment by Mortgagor and of value of the premises; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (iii) allowing Mortgagee to raise the interest rate and/or collect assumption fees; and (iv) keeping the premises free of subordinate financing liens, Mortgagor agrees that if this paragraph be deemed a restraint on alienation, that it is a reasonable one and that any sale, conveyance, assignment, further encumbrance or other transfer of title to the premises or any interest therein (whether voluntary or by operation of law) without the Mortgagee's prior written consent shall be an Event of Default hereunder. For the purpose of, and without limiting the generality of, the preceding sentence, it shall be deemed to be an unpermitted transfer of title to the premises and therefore an Event of Default hereunder, giving Mortgagee the right at its election under Section 12 hereof, to declare immediately due and payable the entire indebtedness secured hereby, if without Mortgagee's prior written consent, (a) Mortgagor shall transfer, convey, alien, pledge, hypothecate or mortgage (collectively, a "Transfer") all or any portion of the Project, the beneficial interest in the Mortgagor, or any legal or equitable interest in the Project or Mortgagor regardless of form. Any consent by the Mortgagee, or any waiver of an Event of Default, under this paragraph shall not constitute a consent to, or waiver of any right, remedy or power of the Mortgagee upon a subsequent Event of Default under this paragraph.

3589002

Captions

30. The captions and headings of various paragraphs of this Mortgage are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Disbursement of Loan Proceeds for Construction of Improvements

31. This is a construction mortgage, as said term is defined in Section 9-313(1)(c) of the Uniform Commercial Code.

Security Agreement and Financing Statements

32. Mortgagor and Mortgagee agree: (1) that this Mortgage shall constitute a Security Agreement within the meaning of the Uniform Commercial Code (the "Code") of the State in which the premises are located with respect to all sums on deposit with the Mortgagee pursuant to Sections 3 and 4 hereof ("Deposits") and with respect to any property

included in the definition herein of the word "premises", which property may not be deemed to form a part of the real estate described in Exhibit A or may not constitute a "fixture" (within the meaning of Section 9-313 of the Code), and all replacements of such property, substitutions for such property, additions to such property, and the proceeds thereof (said property, replacements, substitutions, additions and the proceeds thereof being sometimes herein collectively referred to as the "Collateral"); and (ii) that a security interest in and to the Collateral and the Deposits is hereby granted to the Mortgagee; and (iii) that the Deposits and all of Mortgagor's right, title and interest therein are hereby assigned to the Mortgagee; all to secure payment of the indebtedness and to secure performance by the Mortgagor of the terms, covenants and provisions hereof.

If an Event of Default occurs under this mortgage, Mortgagee, pursuant to the appropriate provisions of the Code, shall have an option to proceed with respect to both the real property and Collateral in accordance with its rights, powers and remedies with respect to the real property, in which event the default provisions of the Code shall not apply. The parties agree that if the Mortgagee shall elect to proceed with respect to the Collateral separately from the real property, Mortgagee shall have all remedies available to a secured party under the Code and ten (10) days notice of the sale of the Collateral shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Mortgagee shall include, but not be limited to, attorneys' fees and legal expenses incurred by Mortgagee. Mortgagor agrees that, without the written consent of Mortgagee, Mortgagor will not remove or permit to be removed from the premises any of the Collateral which is essential for the operation of the premises, or the removal of which would have a material adverse effect on the value of Mortgagee's security for the loan secured hereby (the foregoing are collectively referred to as "Material Collateral"), except that with respect to Material Collateral, as long as the Mortgagor is not in default hereunder, Mortgagor shall be permitted to sell or otherwise dispose of the Material Collateral when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the premises but only upon replacing the same or substituting for the same other Material Collateral at least in equal value and utility to the initial value and utility of that disposed of and in such a manner that said replacement or substituted Material Collateral shall be subject to the security interest created hereby and that the security interest of Mortgagee shall be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the Material Collateral shall be and become immediately subject to the security interest of the Mortgagee and covered hereby. Mortgagor covenants and represents that all Collateral now is, and that all additions thereto, unless the Mortgagee otherwise consents, will be free and clear of liens, encumbrances, title retention devices and security interests of others.

Mortgagor and Mortgagee agree, to the extent permitted by law, that: (i) all of the goods described within the definition of the word "premises" herein are or are to become fixtures on the land described in Exhibit A; (ii) this instrument, upon recording or registration in the real estate

3589002

records of the proper office, shall constitute a "fixture filing" within the meaning of Sections 9-313 and 9-402 of the Code; and (iii) Mortgagor is the record owner of the land described in Exhibit A. The addresses of Mortgagor and Mortgagee are as set forth in Section 23 hereof.

Mortgagor upon request by Mortgagee from time to time, shall execute, acknowledge and deliver to Mortgagee, a separate Security Agreement, Financing Statement or other similar security instruments, in form satisfactory to Mortgagee, covering all property of any kind whatsoever owned by Mortgagor or Beneficiary in connection with the Project, as the case may be, which in the sole opinion of Mortgagee is essential to the operation of the premises and which constitutes goods within the meaning of the Code or concerning which there may be any doubt whether the title to same has been conveyed by or security interest perfected by this mortgage under the laws of the state in which the premises are located, and will further execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any financing statement, affidavit, continuation statement or certificate or other document as Mortgagee may request in order to perfect, preserve, maintain, continue and extend the security interest under and the priority of this mortgage and such security instrument. Mortgagor further agrees to pay to Mortgagee on demand all costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording, filing and re-filing of any such document. Mortgagor shall from time to time, on request of Mortgagee, deliver to Mortgagee an inventory of the Collateral in reasonable detail.

Partial Invalidity; Maximum Allowable Rate of Interest

33. Mortgagor and Mortgagee intend and believe that each provision in this mortgage and the Note comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Mortgage or the Note is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this mortgage and the Note to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Mortgagor and Mortgagee that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this mortgage and the Note shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Mortgagor and Mortgagee under the remainder of this mortgage and the Note shall continue in full force and effect. All agreements herein and in the Note are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid principal balance of the Note, or otherwise, shall the amount paid or agreed to be paid to the Holders for the use, forbearance or detention of the money to be advanced hereunder exceed the highest lawful rate permissible under applicable usury laws. If, from any circumstances whatsoever, fulfillment of any provision hereof or of the Note or any other agreement

3589902

referred to herein, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity and if from any circumstance the Holders shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due under the Note and not to the payment of interest.

Mortgagee's Lien for Service Charge and Expenses

34. At all times, regardless of whether any loan proceeds have been disbursed, this mortgage secures (in addition to any loan proceeds disbursed from time to time) the payment of any and all loan commissions, service charges, liquidated damages, expenses and advances due to or incurred by Mortgagee in connection with the loan to be secured hereby provided, however, that in no event shall the total amount of loan proceeds disbursed plus such additional amounts exceed two hundred per cent (200%) of the face amount of the Note.

Applicable Law

35. This Mortgage, the Note and all other instruments evidencing and securing the loan secured hereby shall be construed, interpreted and governed by the laws of the State of Illinois.

Business Loan Recital

36. Mortgagor represents and agrees that the obligations secured hereby (a) constitute a business loan which comes within the purview of 15 Ill. Rev. Stat., § 6404(1)(c)(1981) as amended, and (b) is an exempt transaction under the Truth-in-Lending Act, 15 U.S.C., § 1601 et seq.

After-Acquired Property

37. To the extent permitted by, and subject to, applicable law, the lien of this Mortgage shall automatically attach, without further act, to all after acquired property located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the premises or any part thereof.

Representations

38. To induce the Mortgagee to make this loan and perform the obligations of the Mortgagee hereunder, Mortgagor hereby represents to the Mortgagee as follows:

(a) Other than as Mortgagor has previously specified in writing to Mortgagee, that no litigation or proceedings are pending, or to the best of Mortgagor's knowledge and belief are threatened against Mortgagor or the Project (i) which will affect the validity or priority of the lien of this Mortgage, or (ii) which will affect the ability of Mortgagor to perform its obligations pursuant to and as contemplated by the terms and provisions of this Mortgage and the Loan Documents;

3583002

(b) That the execution, delivery and performance of this Mortgage and the other Loan Documents have not constituted (and will not, upon the giving of notice or lapse of time or both, constitute) a breach or default under any other agreement to which Mortgagor is a party or may be bound or affected.

(c) That all financial statements, information and certifications furnished to Mortgagee by Mortgagor are true, correct and complete and fairly represent the financial condition of Mortgagor, and all other information previously furnished by Mortgagor to the Mortgagee in connection with the Loan is true, complete and correct in all material respects;

Mortgagor agrees that all of its representations set forth in Section 38 hereof and elsewhere in this Mortgage will be true at the Loan Opening. Each request for disbursement hereunder shall constitute a reaffirmation of such representations.

Loan Expense

39. Subject to the conditions hereinafter provided in this Section 39, Mortgagor agrees to pay all reasonable expenses of the Loan, including all amounts payable pursuant to subsection (a) below, and also including all recording charges, title insurance charges, word processing and photocopying expenses, costs of surveys, costs for certified copies of instruments, and all costs and expenses incurred by the Mortgagee in connection with the determination of whether or not Mortgagor has performed the obligations undertaken by Mortgagor hereunder or has satisfied any conditions precedent to the obligations of the Mortgagee hereunder.

(a) Mortgagor agrees, as consideration for the Loan, to pay a non-refundable fee of \$30,000.

(b) Mortgagor shall pay all fees and expenses, as provided above, incurred by the Mortgagee at the first disbursement of this Loan ("Loan Opening") and at such subsequent times as the Mortgagee may reasonably determine.

(c) Any and all advances or payments made by the Mortgagee under the Loan Documents from time to time, and any amounts expended by the Mortgagee for attorneys' fees and expenses, if any, and all other Loan expenses shall, as and when advanced or incurred by the Mortgagee, constitute additional indebtedness evidenced by the Note and secured by this Mortgage and the other Loan Documents, whether or not the aggregate of such indebtedness shall exceed the aggregate face amount of the Note.

Conditions to Disbursement After Loan Opening

40. After the first disbursement of the Loan, Mortgagor shall be entitled to receive further successive disbursements of the proceeds of the Loan upon fulfillment of all conditions and requirements as determined by Mortgagee.

3589002

Indemnification

41. Mortgagor hereby indemnifies Mortgagee and agrees to hold Mortgagee harmless from and against all claims, injury, damages, loss, costs (including attorneys' fees) and liability of any and every kind to any person or property by reason of (i) the construction or other work contemplated herein; (ii) any other action or inaction by, or matter which is the responsibility of, Mortgagor or (iii) the making of the Loan by Mortgagee or the acceptance by Mortgagee of the liens granted hereunder as security for the Loan. Mortgagor shall undertake at its own expense the defense of Mortgagee in any lawsuit commenced as a result of injury, damage or liability occurring by reason of the construction or other work contemplated herein.

Loan Documents

42. The Loan Documents are comprised of the following:

- (a) This Mortgage;
- (b) The Note;
- (c) Guaranty from the shareholders of a general partner

Notwithstanding anything herein to the contrary, this Mortgage is executed by American National Bank and Trust Company of Chicago, not personally 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 said Bank personally to pay such 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 Lender and by every person now or hereafter claiming any right or security hereunder, and that so far as said Bank and its successors personally are concerned, the legal holder or holders of such Note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises, the collateral and any other security and any guaranty for the payment thereof.

IN WITNESS WHEREOF, Mortgagor has executed this mortgage on the day and year first above written.

MORTGAGOR:

AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO,
not personally, but as
Trustee of Trust No. 41983

ATTEST:

ep

By: _____
Its: _____

[Signature]

Mortgagee

By: _____
Its: _____

Paul Connor

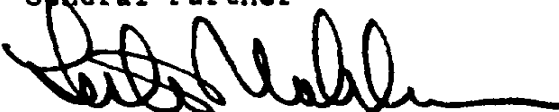
SECRETARY

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505 NORTH MICHIGAN AVENUE
ASSOCIATES, an Illinois
limited partnership.

By: MAT ASSOCIATES INCORPORATED,
an Illinois corporation,
General Partner

By: 
Lester Mehlman, President

Property of Cook County Clerk's Office

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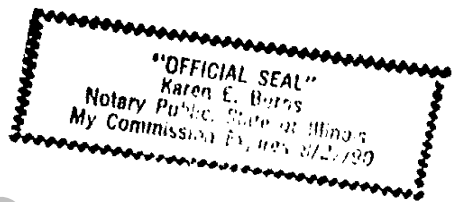
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that J. MICHAEL WHELAN of AMERICAN NATIONAL BANK, a STATE BANK corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such WHELAN appeared before me this day in person and acknowledge that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this JAN 28 1987 day of _____, 1987.

Karen E. Burns
Notary Public

My Commission Expires:



3589002

Property of Cook County Clerk's Office

EXHIBIT AParcel 1:

That part of Lot 2 lying West of a straight line drawn in a southerly direction from a point on the North line of Lot 2, 11 3/4 inches East of the Northwest corner of said Lot 2 to a point in the South line of Lot 2, 9 5/8 inches East of the Southwest corner of said Lot 2; all of Lot 3; Lot 4 (except the West 18 feet of the East 19 feet); all of Lots 5, 6, 7, 8 and 9 and the West 1/2 of Lot 10 in Block 18 in Kinzie's Addition to Chicago in Section 10, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

All that part of the vacated East and West 18 foot wide public alley lying south of and adjoining the South line of Lots 4 to 6, inclusive, lying North of and adjoining the North line of Lots 7 to 9, inclusive, and lying West of and adjoining a line 19 feet West of and parallel with the East line of said Lot 4 produced South 18 feet to the North line of said Lot 9, in the Subdivision of Block 18 of Kinzie's Addition to Chicago, in Section 10, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Tax Numbers: C. I. - 0
 17-10-126-003 *24, 3*
 17-10-126-002 *24, 4, 5*
 17-10-126-001 *24, 6*
 17-10-126-005 *24, 7, 8, 9*

Address:

505 North Michigan Avenue
 Chicago, Illinois 60611

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Property of Cook County Clerk's Office

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UNOFFICIAL COPY

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 Lester Menlman, President of Mat Associates Incorporated, Illinois corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such President, appeared before me this day in person and acknowledge that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 28th day of January, 1987.

Gene Louis McClellan
 Notary Public

My Commission Expires:

March 26, 1987

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1851317
 IN DUPLICATE

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REC FEB -3 PM 2 32
 HANCOCK BUSSELL
 REGISTERED CLERK

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Office

ORIGINAL FILED IN
 7096-613

(Handwritten initials)