

Prepared by and return to:  
Douglas E. Wambach  
Burke, Warren, MacKay & Serritella  
330 N. Wabash, 22nd Floor  
Chicago, IL 60611



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MORTGAGE

THIS MORTGAGE (this "Mortgage") is made as of December 1, 1999, by CLH INVESTMENT COMPANY, L.L.C, an Illinois limited liability company having an address at 5901 S. LaGrange Road, Countryside, Illinois 60525 ("Borrower") to 5800 DEVELOPMENT CORP., INC., an Illinois corporation, having an address at 5901 S. LaGrange Road, Countryside, Illinois 60525 (the "Lender").

*Joe*

Borrower has executed and delivered to Lender a Promissory Note (the "Note") of even date herewith payable to the order of Lender in the principal sum of Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00), bearing interest and payable as set forth in the Note, and due on December 31, 2000.

In order to secure the payment of the principal indebtedness under the Note and interest and premiums on the principal indebtedness under the Note (and all replacements, renewals and extensions thereof, in whole or in part) and to secure the payment of all other sums which may be at any time due under the Note or this Mortgage (collectively sometimes referred to herein as "Indebtedness"); and to secure the performance and observance of all the provisions contained in this Mortgage or the Note, and the properties, interests and rights hereinafter described with such payment, performance and observance, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower DOES HEREBY MORTGAGE AND CONVEY unto Lender, its successors and assigns forever, the real estate described on Exhibit A with the improvements thereon, including all fixtures, rents, leases, appurtenances, rights and interests (which are referred to herein as the "Premises").

TO HAVE AND TO HOLD the Premises, unto the Lender, its successors and assigns, forever, for the purposes herein set forth together with all right to possession of the Premises after the occurrence of any Default as hereinafter defined.

BORROWER FURTHER AGREES AS FOLLOWS:

1. *Payment of Indebtedness and Performance of Covenants.* Borrower shall (a) pay the Indebtedness when due and (b) punctually perform and observe all of the requirements of the Note and this Mortgage.

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2. *Covenant of Title.* Borrower has good and indefeasible title to the Premises in fee simple and with good right and full power to sell, mortgage and convey the same. Borrower will warrant and defend the Premises against all lawful claims and demands whatsoever.

3. *Maintenance, Repair, Compliance with Law, Use, etc.* Borrower shall (a) promptly repair or restore any portion of the improvements located on the Property ("Improvements") which may become damaged or be destroyed whether or not proceeds of insurance are available or sufficient for that purpose; (b) keep the Premises in good condition and free from waste; (c) pay all operating costs of the Premises; (d) complete, within a reasonable time, any building or other Improvements at any time in the process of erection upon the Premises; (e) comply with all requirements of law relating to the Premises and the use thereof, (f) refrain from any action and correct any condition which would increase the risk of fire or other hazard to the Improvements; (g) comply with any restrictions of record with respect to the Premises; and comply with any conditions necessary to preserve and extend all rights that are applicable to the Premises; and (h) cause the Premises to be managed in a competent manner. Without the prior written consent of Lender, Borrower shall not cause, suffer or permit any (i) material alterations of the Premises except as required by law; (ii) change in the intended use of the Premises; (iii) zoning reclassification with respect to the Premises; or (iv) unlawful use of, or nuisance to exist upon, the Premises.

4. *Liens, Prohibition.* Borrower shall not create or suffer or permit any encumbrance to attach to or be filed against the Premises, excepting only (i) the lien of real estate taxes and assessments not due; and (ii) any liens and encumbrances of Lender.

5. *Taxes.* Borrower shall pay when due all taxes, assessments, and charges of every kind levied or assessed against the Premises or any interest therein or any obligation or instrument secured hereby, and all installments thereof (all herein generally called "Taxes"), whether or not assessed against Borrower, and Borrower shall furnish to Lender receipts therefor on or before the date the same are due; and shall discharge any claim or lien relating to Taxes upon the Premises.

6. *Insurance Coverage.* Borrower will insure the Premises against such perils and hazards, and in such amounts and with such limits, as Lender may require from time to time. All insurance policies shall be in form, companies and amounts reasonably satisfactory to Lender. All insurance policies shall (i) include, when available, non-contributing mortgagee endorsements in favor of and with loss payable to Lender, (ii) include standard waiver of subrogation endorsements, (iii) provide that the coverage shall not be terminated or materially modified without thirty (30) days advance written notice to Lender and (iv) provide that no claims shall be paid thereunder without ten (10) days advance written notice to Lender. Borrower will deliver all insurance policies premiums prepaid to Lender and will deliver renewal or replacement policies at least thirty (30) days prior to the date of expiration of any policy.

7. *Defaults.* If one or more of the following events (herein called "Defaults") shall occur:

7.1. If Borrower, after the expiration of any applicable grace periods, fails to make payments of amounts owed under the Note or this Mortgage when due;

7.2. If a default continues for fifteen (15) days after notice thereof by Lender to Borrower in the punctual performance or observance of any other agreement or condition herein contained;

7.3. If Borrower (i) files a voluntary petition in bankruptcy or for relief under the Federal Bankruptcy Act or any similar state or federal law; (ii) files a pleading in any proceeding admitting insolvency; or (iii) makes an assignment for the benefit of creditors or shall consent to the appointment of a receiver or trustee or liquidator of all or the major part of its property, or the Premises;

7.4 If within sixty (60) days after the filing against Borrower of any involuntary proceeding under the Federal Bankruptcy Act or similar state or federal law, such proceedings shall not have been vacated;

7.5 If a substantial part of Borrower's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within sixty (60) days; or

7.6 If any order appointing a receiver, trustee or liquidator of Borrower or all or a major part of Borrower's property or the Premises is not vacated within ninety (90) days following the entry thereof;

then Lender may, at its option and without affecting the lien hereby created or the priority of said lien or any other right of Lender hereunder, declare, without further notice, all Indebtedness to be immediately due with interest thereon, whether or not such Default be thereafter remedied by Borrower, and Lender may immediately proceed to foreclose the lien of this Mortgage and to exercise any right provided by this Mortgage, the Note or otherwise.

8. *Foreclosure.* When the Indebtedness shall become due, whether by acceleration or otherwise, Lender shall have the right to foreclose the lien hereof in accordance with the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101, et seq. (1993) (the "Foreclosure Law") and to exercise any other remedies of Lender provided in the Note, this Mortgage, or which Lender may have at law, in equity or otherwise. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree of sale all costs, expenses and attorneys' fees which may be paid or incurred by or on behalf of Lender and permitted by the Foreclosure Law to be included in such decree.

9. *Rights Cumulative.* Each right herein conferred upon Lender is cumulative and in addition to every other right provided by law or in equity, and Lender may exercise each such right in any manner deemed expedient to Lender. Lender's exercise or failure to exercise any right shall not be deemed a waiver of that right or any other right or a waiver of any default. Except as otherwise specifically required herein, Lender is not required to give notice of its exercise of any of its right under this Mortgage.

10. *Effect of Extensions and Amendments.* If the payment of the Indebtedness be extended or varied, or if any part of the security or guaranties therefor be released, all persons at any time 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 and effect; the right of recourse against all such persons being expressly reserved by Lender, notwithstanding any such extension, variation or release. Any person, firm or corporation taking any other mortgage, or other lien upon the Premises or any part thereof or any interest therein, shall take the said lien subject to the rights of Lender to amend, modify, extend or release the Note, this Mortgage or any other document or instrument evidencing, securing or guarantying the Indebtedness, in each case without obtaining the consent of the holder of such other lien and without the lien of this Mortgage losing its priority over the rights of any such other lien.

11. *Future Advances.* At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures as part of the Indebtedness the payment of all loan commissions, service charges, liquidated damages, attorneys' fees, expenses and advances due to or incurred by Lender in connection with the Indebtedness, all in accordance with the Note and this Mortgage; provided, however, that in no event shall the total amount of the Indebtedness, including loan proceeds disbursed plus any additional charges, exceed the amount of One Million Five Hundred Thousand and no/100 dollars (\$1,500,000). All such advances are intended by the parties hereto to be a lien on the premises from the time this Mortgage is recorded, as provided in the Foreclosure Law.

12. *Subrogation.* If any part of the indebtedness is used directly or indirectly to satisfy, in whole or in part, any prior encumbrance upon the Premises or any part thereof, then Lender shall be subrogated to the rights of the holder thereof in and to such other encumbrance and any additional security held by such holder, and shall have the benefit of the priority of the same.

13. *Governing Law.* This Mortgage shall be construed and enforced according to the laws of the State of Illinois.

14. *Time of the Essence.* Time is of the essence of the Note, this Mortgage, and any other document or instrument evidencing or securing the Indebtedness.

15. *Captions and Pronouns.* The captions and headings of the various sections of this Mortgage are for convenience only, and are not to be construed as limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and the masculine, feminine and neuter shall be freely interchangeable.

16. *Notices.* Any notice or other communication which any party hereto may desire or may be required to give to any other party hereto shall be in writing, and shall be deemed given when (i) personally delivered, (ii) upon receipt if sent by a nationally recognized overnight courier addressed to a party at its address set forth above, or (iii) on the second business day after being deposited in United States registered or certified mail, postage prepaid, addressed to a party at its address set forth

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above, or to such other address as the party to receive such notice may have designated to the other party by notice in accordance herewith.

Except as otherwise specifically required herein, notice of the exercise of any right, power or option granted to Lender by this Mortgage is not required to be given.

CLH INVESTMENT COMPANY, L.L.C, an  
Illinois limited liability company

By:

Name: Herman G. Weinberger

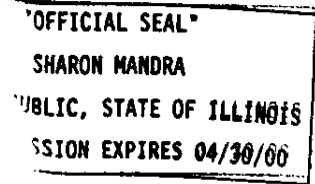
Title: Managing Member

Property of Cook County Clerk's Office

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 Herman G. Weinberger, personally known to me to be the Managing Member of CLH Investment Company, L.L.C., an Illinois limited liability company, and 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 as such he signed and delivered the said instrument as his free and voluntary act, and as the free and voluntary act and deed of said company, for the uses and purposes therein set forth.

Given under my hand and official seal, this 1st day of December, 1999.



Sharon Mandra  
Notary Public

My Commission Expires: 4-30-99

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## EXHIBIT A

### LEGAL DESCRIPTION OF THE LAND

#### PARCELS 1 AND 2

Lots 1 and 2 in LaGrange Gardens Homes, being a Subdivision of that part of the East 1337 feet of the Northwest 1/4, lying South of the South Line of the North 22 acres of the Southeast 1/4 of the Northwest 1/4 of Section 16, Township 38 North, Range 12, East of the Third Principal Meridian, also the East 180.0 feet of the Northwest 1/4 lying South of the South line of the North 22 acres of the Southeast 1/4 of the Northwest 1/4 (except the South 325.26 feet thereof) of Section 16, Township 38 North, Range 12, East of the Third Principal Meridian, all in Cook County, Illinois.

#### PARCEL 3

The North One Hundred Fifty Feet (150 feet) of the East One hundred Eighty Feet (180 feet) of the Northwest Quarter (NW 1/4) lying South of the South line of the North Twenty Two (22) acres of the Southeast Quarter (SE 1/4) of the Northwest Quarter (NW 1/4) of Section 16, Township 38 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

Commonly known as: 5800 S. LaGrange Road  
Countryside, Illinois

PIN # 18-16-112-001  
18-16-112-002  
18-16-112-006  
18-16-112-007