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7/27/2013 18:00 Page 1 of 30  
2001-09-19 10:38:50  
Cook County Recorder 79.00

This instrument was prepared by and when recorded, please return to:



Michael F. Sexton  
Rooks, Pitts and Poust  
10 South Wacker  
Suite 2300  
Chicago, Illinois 60606

**MORTGAGE AND SECURITY AGREEMENT**

THIS MORTGAGE AND SECURITY AGREEMENT (this "Security Instrument") is dated and effective as of September ~~12~~ 2001 by and between 1001 W. EXCHANGE, LLC, an Illinois limited liability company ("Borrower"), and LASALLE BANK NATIONAL ASSOCIATION ("Lender"), having its principal offices at 135 South LaSalle Street, Chicago, Illinois 60603.

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**WITNESSETH:**

A. Borrower has executed and delivered to Lender a Promissory Note dated of even date herewith in the principal sum of \$1,400,000.00 (together with all extensions, renewals, amendments and modifications thereof and substitutes therefor, "Note-A") pursuant to which the Borrower promises to pay said principal sum, together with interest on the balance of the said principal from time to time outstanding and unpaid thereon at the rates and at the times specified in the Note-A, with a final maturity of September 10, 2008 with respect to all principal and interest not required to be sooner paid.

B. 4200 S. Morgan, LLC, an Illinois limited liability company, ("4200") has executed and delivered to Lender a Substitute Promissory Note dated of even date herewith in the principal sum of \$1,400,000.00 which was delivered in substitution for and not in payment of the Note dated September 29, 1993 in the original principal sum of \$650,000, as modified by a Modification Term Note dated August 15, 1995 in the original principal sum of \$1,174,169, as modified by a Modification of Term Note dated May 7, 1997 in the original principal amount of \$1,400,000, as extended by an extension Term Note dated January 30, 1998, and as modified by an Extension Term Note dated January 26, 1999 in the original principal sum of \$1,215,020 (together with all extensions, renewals, amendments and modifications thereof and substitutes therefor, "Note-B"; Note-A and Note-B are collectively referred to herein as "Notes"), pursuant to which 4200 promises to pay said principal sum, together with interest on the balance of the said principal from time to time outstanding and unpaid thereon at the rates and at the times

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**BOX 333-CTI**

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specified in the Note-B, with a final maturity of September 10, 2008 with respect to all principal and interest not required to be sooner paid

C. The proceeds of Note-A are to be used solely for the purpose of purchasing property commonly known as 1001 West Exchange Avenue, Chicago, Illinois. The proceeds of Note-B are to be used solely for the purpose of refinancing certain mortgage indebtedness related to the property commonly known as 4200 South Morgan Street, Chicago, Illinois.

D. Note-A is secured, *inter alia*, by a Mortgage and Security Agreement dated as of even date herewith made by Borrower in favor of Lender, and Note-B is secured, *inter alia*, by a Amended and Restated Mortgage and Security dated as of even date herewith made by 4200 in favor of Lender. (collectively, the "Security Instruments" or individually referred to as "Security Instrument").

E. Lender requires that Borrower execute and deliver this Security Instrument to secure the payment and performance of the obligations and duties of Borrower and 4200 under the Notes and all other documents, agreements and instruments executed by Borrower and 4200 in connection with the Notes (the Notes and such other documents, agreements and instruments, in each case as the same may be renewed, extended, amended, supplemented, modified and/or restated from time to time, are collectively referred to as the "Loan Documents").

NOW, THEREFORE, to secure (i) the payment when and as due and payable of the principal sum of and interest on the Notes and any extensions, renewals or modifications thereof, and substitutes therefor, (ii) the payment of all other indebtedness which this Security Instrument secures pursuant to its terms or which is payable under the terms of any of the Loan Documents and (iii) the performance and observance of the covenants and agreements contained in and the payment of all obligations and liabilities of Borrower and 4200 under this Security Instrument and/or the Loan Documents (all of such indebtedness, obligations, agreements and liabilities identified in the foregoing clauses (i), (ii) and (iii) being hereinafter referred to as the "Obligations"), Borrower does by these presents grant, transfer, bargain, set over, remise, release, assign, alien, pledge, sell, convey, mortgage and warrant unto Lender, its successors and assigns forever, the real estate described in Exhibit A attached hereto and made a part hereof (the "Real Estate") and all of Borrower's estate, right, title, and interest therein situate in the County of Cook and State of Illinois;

TOGETHER WITH:

- (a) all estate, right, title, and interest of Borrower, if any, including any after-acquired title or reversion, in and to the beds of the ways, streets, avenues, vaults, roadways, strips and gores, and alleys adjoining or within the boundaries of the Real Estate;
- (b) all and singular the tenements, hereditaments, easements, licenses, minerals, appurtenances, passages, waters, water courses, riparian, irrigation and drainage

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rights, and other rights, liberties and privileges thereof or in any way now or hereafter appertaining, including homestead and any other claim at law or in equity as well as any after-acquired title, franchise, or license and the reversion and reversions and remainder and remainders thereof;

- (c) all property and rights, if any, which by the express provisions of this Security Instrument are required to be subjected to the lien hereof and any additional property and rights that from time to time hereafter, by installation or writing of any kind, may be subjected to the lien hereof by Borrower or by anyone on Borrower's behalf;
- (d) all rights in and to common areas and access roads on adjacent land heretofore or hereafter granted to Borrower and any after-acquired title or reversion with respect thereto;
- (e) all of Borrower's interest and rights as lessor in and to all leases now or hereafter affecting the Real Estate and/or the Improvements (hereinafter defined) or any part thereof, whether written or verbal, and all rents, issues, proceeds and profits accruing and to accrue from the Real Estate and/or the Improvements, whether payable pursuant to any present or future leases or otherwise arising out of any, letting of or any agreement for the sale, occupancy or use of the Real Estate and/or the Improvements or any portion thereof which may have been heretofore or hereafter made or agreed to by Borrower, together with any deposits and profits now due and/or which may become due thereunder by virtue thereof and any guaranties executed in connection therewith (which are pledged primarily and on a parity with the Real Estate, and not secondarily);
- (f) all buildings and improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration, and repairs of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Real Estate immediately upon the delivery thereof to the Real Estate, and all fixtures and personal property now or hereafter owned by Borrower and attached to or contained in and used in connection with the Real Estate, all heating, air-conditioning, sprinklers, freezing, lighting, laundry, incinerating and dynamo and generating equipment; engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing and plumbing fixtures; lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communications apparatus; alarm systems; boilers, ranges, furnaces, oil burners or units thereof; appliances, air cooling and air-conditioning apparatus; vacuum cleaning systems; elevators, escalators; shades; awnings, screens; storm doors and windows; stoves, wall beds, refrigerators, cooking apparatus and mechanical equipment, gas and electrical fixtures; partitions, mantels, built-in mirrors, window shades, blinds, furniture of public spaces, halls and lobbies; attached cabinets, ducts and compressors; rugs

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and carpets; draperies; furniture and furnishings used in the operations of the Premises; and all additions thereto and renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said building or buildings in any manner (the property described in this clause (f) is referred to as the "Improvements");

- (g) all proceeds or sums payable in lieu of or as compensation for the loss of or damage to the Real Estate and Improvements, all rights in and to all present and future fire and other insurance policies pertaining to the Real Estate and Improvements, any sums at any time on deposit for the benefit of Lender or Borrower or held by Lender (whether deposited by or on behalf of Borrower or anyone else) pursuant to any of the provisions of this Security Instrument and all awards, compensation, damages and/or proceeds paid or to be paid in connection with, or in lieu of, any condemnation, eminent domain, change of grade or similar proceeding for the taking or for the degradation in the value of all or any part of the Real Estate and Improvements; and
- (h) all contracts, documents, agreements, contract rights and general intangibles relating to design, development, operation, construction upon, management, leasing, sale and use of the Real Estate and Improvements, including (i) all names under which or by which the Real Estate and/or Improvements may at any time be owned and operated, or any variation thereof, and all goodwill in any way relating to the Real Estate and Improvements and all service marks and logo types used in connection therewith, (ii) all permits, licenses, authorizations, variances, land use entitlements, approvals, consents, clearances and rights obtained from governmental agencies or other governmental authorities issued or obtained in connection with the Real Estate and/or Improvements, (iii) all permits, licenses, approvals, consents, authorizations, franchises and agreements issued or obtained in connection with the development, construction upon, use, occupation, leasing, sale or operation of the Real Estate and/or Improvements, (iv) all materials prepared for filing or filed with any governmental agency or other governmental authority, (v) all plans, specifications, drawings, maps, surveys, studies, architectural, engineering and construction contracts, management and leasing contracts and other agreements and documents, of whatever kind or character, relating to the use, construction upon, occupation, leasing, sale or operation of the Real Estate and/or the Improvements, whether now existing or hereafter entered into, and in, to and under any amendments, supplements, modifications and additions thereto, extensions and renewals thereof and substitutions therefor and (vi) the books and records of Borrower relating to design, development, construction, operation or management of the Real Estate and/or Improvements;

it being mutually agreed, intended and declared that all the aforesaid property shall, so far as permitted by applicable Laws (hereinafter defined), be deemed to form a part and parcel of the Real Estate and for the purpose of this Security Instrument to be real estate, and covered by this





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Security Instrument, and as to any of the property aforesaid which does not so form a part and parcel of the Real Estate, this Security Instrument is hereby deemed to be, and is, as well, a Security Agreement under the Uniform Commercial Code (or any successor statute) of the State of Illinois or of any other State the Laws of which are required by Section 9-103 of the Uniform Commercial Code of the State of Illinois to be applied in connection with the issue of perfection of security interests, in each case as in effect from time to time (the "Uniform Commercial Code"), for the purpose of creating hereby a security interest in such property, which Borrower hereby grants to Lender as Secured Party (as such term is defined in the Uniform Commercial Code), it being further understood and agreed that the provisions hereof shall not apply or attach to any trade fixtures or personal property of any lessee of the Real Estate (the Real Estate and Improvements and all of the other property described in granting clauses (a) through (h) above are collectively referred to as the "Premises");

TO HAVE AND TO HOLD the same unto Lender and its successors and assigns forever, for the purposes and uses herein set forth;

PROVIDED, HOWEVER, that if Borrower shall pay the principal sum of and all interest on the Notes, and shall pay all other sums provided for herein, and in the Loan Documents, and shall well and truly keep and perform all of the covenants contained in this Security Instrument, and each of the other Loan Documents, this Security Instrument shall be released at the sole cost of Borrower, otherwise to remain in full force and effect.

## BORROWER HEREBY AGREES WITH LENDER AS FOLLOWS:

1. Payment of Principal and Interest. Borrower is pledging the Premises to secure the prompt payment, when and as due and payable, of the Obligations.

2. Taxes and Other Charges. (a) Borrower shall pay, or caused to be paid, when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer service charges, association charges, and all other charges of whatever kind, ordinary or extraordinary, whether public or private, which may be levied or imposed against the Premises, and shall furnish to Lender official receipts showing and evidencing payment of all taxes and assessments (general and special) therefor within 30 days after payment thereof. Borrower shall also pay, or caused to be paid, when due all charges incurred for the benefit of the Premises for utilities, including energy, fuel, gas, electricity, water, sewer, and garbage removal, whether or not such charges are liens against the Premises.

(b) Upon Lender's request, and only after the occurrence of an event of default as set forth in paragraph 21(a) below, Borrower shall deposit at such place as Lender may from time to time in writing appoint, and in the absence of such appointment, then at the office of Lender, commencing on the first day of the first month after request therefor by Lender, and on the first day of each month thereafter until the Obligations are fully paid, 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

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any part thereof now constructed, or to be constructed, in which event the amount of such deposits shall be based upon Lender's estimate as to the amount of taxes and assessments to be levied and assessed). In addition, Borrower shall, concurrently with the initial disbursement of the loans evidenced by the Notes and secured hereby, also deposit with Lender an amount, based upon the taxes and assessments so ascertainable or so estimated by Lender, as the case may be, for taxes and assessments on the Premises, on an accrual basis, for the period from January 1 of the year in which said loans were initially disbursed to and including the date of the first deposit made by Borrower as described in the first sentence of this paragraph 2(b). Such deposits are to be held without any allowance of interest and need not to be kept separate and apart, and are to be used for the payment of taxes and assessments (general and special) on the Premises next due and payable when they become 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, Borrower shall, within ten days after receipt of demand therefor, 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 on subsequent deposits.

3. **Insurance.** (a) Borrower shall keep, or cause to be kept, the Improvements now existing or hereafter erected on the Premises, all property (whether real, personal or mixed) incorporated therein and all materials and supplies delivered to the Premises for use in connection with the construction of any improvements, together with all equipment used for that purpose, constantly insured against loss or damage under such types and forms of insurance policies and in such amounts and for such periods as Lender may from time to time require, and Borrower shall pay promptly, when due, any premiums on such insurance. Unless Lender otherwise agrees, all such insurance shall be carried with companies holding a current Policyholder's Alphabetic and Financial Size Category Rating according to A.M. Best's Insurance Reports which is acceptable to Lender, and shall have attached thereto standard noncontributing mortgage clauses in favor of Lender, as well as standard waiver of subrogation endorsements. The Improvements and all such property, materials, supplies and equipment shall be insured to an amount equal to 100% of the full insurable value thereof (but in no event less than actual replacement value without deduction for depreciation) at all times against loss or damage by fire, lightning, wind storm, explosion, riot and civil commotion, vandalism and malicious mischief, theft and such other risks as are usually included under what is now known as broad form extended coverage. Borrower shall not carry separate insurance, concurrent in kind or form and contributing in the event of loss, with any insurance required hereunder. In the event of a change of ownership or of occupancy of the Premises (without implying or creating any waiver of the right of approval thereof by Lender), immediate notice thereof by mail shall be delivered to all insurers. In the event of any loss covered by such insurance, Borrower shall immediately notify Lender in writing, and Borrower hereby authorizes and directs each and every insurance company concerned to make payments for such loss directly and solely to Lender (which may, but need not, make proof of loss) and Lender is hereby authorized to adjust, collect, and compromise in its discretion all claims under all policies, and Borrower shall sign, upon demand by Lender, all receipts, vouchers, and releases required by such insurance companies. After deducting any costs of collection, Lender may use or apply the proceeds, at its

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sole option, (i) as a credit upon any portion of the Obligations, or (ii) to repairing and restoring the Improvements, in which event Lender shall not be obliged to see to the proper application thereof nor shall the amount so released or used for restoration be deemed a payment on the Obligations, or (iii) to deliver same to Borrower. Notwithstanding the provisions of the immediately preceding sentence, in the event of loss or damage to the Premises, provided and only so long as no event of default has occurred and is existing hereunder and no event has occurred or condition exists which, after the giving of notice or passage of time, or both, could give rise to an event of default hereunder, and provided further, that the proceeds of such insurance are sufficient, in Lender's judgment, after first deducting and paying the reasonable expenses, if any, incurred by Lender in the collection of such proceeds, to fully restore, repair and replace the damaged portions of the Premises and to otherwise pay all costs and expenses relating thereto (or if such proceeds are insufficient as hereinbefore provided, Borrower shall deposit the entire amount of such deficiency with Lender or make other arrangements satisfactory to Lender to pay such deficiency) and that the insurance company shall not claim that, notwithstanding such payment to Lender, such insurance company has no liability to pay any or some portion of such proceeds to Borrower, the balance of the proceeds will be held and disbursed by Lender for the purposes of the repair, restoration, building or rebuilding of the Premises as hereinafter provided. In the event such proceeds are applied to restoring the Improvements, such proceeds shall be made available, from time to time, upon Lender being furnished with satisfactory evidence of the estimated cost of such restoration and with such architect's certificates, waivers of lien, contractors' sworn statements and other evidence of cost and of payments as Lender may reasonably require and approve, and if the estimated cost of the work exceeds 10% of the original principal amount of the Obligations, Borrower shall furnish Lender with all plans and specifications for such rebuilding or restoration as Lender may require and approve. No payment made prior to the final completion of such work shall exceed 90% of the value of the work performed from time to time, and at all times the undisbursed balance of said proceeds remaining in the hands of Lender shall be at least sufficient to pay for the cost of completion of such work, free and clear of any liens. No interest shall be allowed to Borrower on any proceeds of insurance paid to and held by Lender. In the event of foreclosure of this Security Instrument, or other transfer of title to the Premises in extinguishment of the Obligations, all right, title, and interest of Borrower, in and to any insurance policies then in force, and any claims or proceeds thereunder shall pass to Lender or any purchaser or grantee. In the event Lender, in its sole discretion, determines that any insurance provided by Borrower does not comply with the insurance requirements set forth herein, then Lender may, at any time and at its sole discretion, procure and substitute for any of the insurance so held as aforesaid, such other policy or policies of insurance, in such amount and carried by such company as it may determine, the cost of which shall be repaid to Lender by Borrower upon demand. Borrower shall furnish to Lender, upon its request, and without cost to Lender, estimates or appraisals of insurable value, such as are regularly and ordinarily made by insurance companies to determine the then replacement cost of the Improvements and all other property, materials, supplies and equipment described in the first sentence of this paragraph 3(a).

(b) Borrower shall carry and maintain in full force at all times comprehensive public liability insurance as may be required from time to time by Lender in forms, amounts, and with

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companies satisfactory to Lender, and Borrower will apply all insurance proceeds under such policies to the payment and discharge of the liabilities in respect of which such proceeds are collected. The amounts of coverage shall not be less than \$2,000,000 combined single limit and the policy or policies shall name Lender as an additional insured party thereunder.

(c) If and so long as the Premises, or any portion thereof, are leased, Borrower shall carry and maintain in force at all times rental value insurance with respect to that portion of the Premises, if any, which is leased. If and so long as the Premises, or any portion thereof, are not leased, Borrower shall carry and maintain in full force at all times business interruption insurance with respect to that portion of the Premises not leased. All such insurance required pursuant to this paragraph 3(c) shall be in such amounts, in form and with companies satisfactory to Lender.

(d) Borrower shall carry and maintain in force at all times flood insurance in accordance with the provisions of the Flood Disaster Protection Act of 1973, as amended, if the area in which the Premises are situated is designated as an "A" zone as defined in said act, in an amount satisfactory to Lender, and Borrower shall comply with such other requirements of said act as are appropriate.

(e) Borrower shall procure and maintain insurance against such other perils and risks (exclusive of the perils and risks insured against under paragraphs 3(a), (b) and (c) above) as Lender shall request and, without any such request, shall procure and maintain statutory worker's compensation and boiler and machinery insurance. All such insurance shall be maintained under policies containing such provisions and coverages and being in such amounts as are approved by Lender, which policies shall name Lender as an additional insured thereunder. Borrower shall cause any architects and general contractors providing services to the Premises to procure professional liability insurance in such amounts and with such coverages as shall be satisfactory to Lender.

(f) Unless Lender otherwise agrees, all true, correct and complete copies of all policies of insurance required hereunder to be maintained by Borrower, together with evidence that the premium therefor covering a period of not less than one year has been prepaid, shall be deposited with Lender and shall provide for, among other things, payment of losses notwithstanding any acts or omissions of Borrower and giving written notice to Lender of their expiration or cancellation at least 30 days prior to such event occurring. Not less than 30 days prior to the expiration of any such policy, Borrower shall deposit an appropriate renewal or replacement policy and evidence of the premium payment therefor, as aforesaid. The policy of insurance required under paragraph 3(a) shall contain a lender's loss payable endorsement in favor of Lender in form and substance satisfactory to Lender.

4. Preservation, Restoration and Use of Premises. Borrower shall complete, within a reasonable time and in any event within any time period required by Lender under any Document, any Improvements now or any time hereafter in the process of being constructed upon the Real Estate. No Improvement shall (except as required by any applicable Law) be

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altered, removed, or demolished nor shall any fixtures, appliances or other personal property subject to the lien hereof, on, in or about the Improvements be severed, removed, sold, encumbered or mortgaged, other than the replacement of Improvements within ordinary course of business with items of comparable quality, without the prior written consent of Lender, and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels, or articles of personal property covered hereby or by any separate security agreement given in conjunction herewith, the same shall be replaced promptly by similar fixtures, chattels, and articles of personal property at least equal in quality and condition to those replaced, free from any security interest in or encumbrances thereon or reservation of title thereto. Borrower shall promptly repair, restore, or rebuild any Improvements now or hereafter on the Premises which may become damaged or be destroyed; provided, however, that if Lender has elected to apply insurance loss proceeds toward payment of the Obligations as provided for herein, the provisions of this sentence shall not apply. The Improvements shall be so restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. Borrower shall not permit, commit, or suffer any waste, impairment, or deterioration of the Premises or any part or improvement thereof, and shall keep and maintain the Premises and every part thereof in good repair and condition and effect such repairs as Lender may require, and, from time to time, make all needful and proper replacements and additions thereto so that the Improvements will, at all times, be in good condition, fit and proper for the respective purposes for which they were originally erected or installed. Borrower shall not suffer or permit the Premises to be abandoned or to be used for a purpose other than that for which the Premises are presently used, or represented to Lender to be used. Borrower shall not subject the Premises to any use covenants or restrictions and shall not initiate, join in or consent to any change in any existing private restrictive covenant, zoning ordinance, or other public or private restriction limiting or defining the uses which may be made of or the kind of improvements which can be constructed or placed on the Premises or any part thereof, and shall promptly notify Lender of, and appear in and defend, at its sole cost and expense, any such proceedings seeking to effect any of the foregoing. Borrower shall not subdivide the Real Estate and shall not subject the Premises to the provisions of the condominium laws of the state in which the Premises are situated. No improvement on the Real Estate or on land adjoining the Real Estate which is owned or controlled by Borrower shall be constructed unless plans and specifications therefor have been first submitted to Lender and approved by it as entailing no prejudice to the Obligations or the security therefor. Borrower shall not cause or permit the personal, firm or other entity responsible for the management of the Premises to be changed without Lender's prior written consent.

5. Compliance with Governmental, Insurance and Other Requirements. Borrower shall comply with all applicable laws, statutes, ordinances, orders, decrees, rules and regulations (collectively, "Laws") relating to the Premises or the use thereof and shall observe and comply with all conditions and requirements necessary to maintain in force the insurance required under paragraph 3 hereof and to preserve and extend any rights, consents, licenses, permits, privileges, franchises and concessions (including rights, consents, licenses, permits, privileges, franchises and concessions relating to land use development, landmark preservation, construction, access, water rights, noise, pollution, zoning variances, special exceptions and nonconforming uses)

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which are applicable to the Premises or which have been granted to or contracted for by Borrower in connection with any existing or presently contemplated use of the Premises. In the event that any Improvements must be altered or removed to enable Borrower to comply with the foregoing provisions of this paragraph 5, Borrower shall, except in case of emergency, not commence any such alterations or removals without Lender's prior approval of the need therefor and the plans and specifications pertaining thereto. After such approval, Borrower, at its sole cost and expense, shall immediately effect the alterations or removal so required and approved by Lender. Borrower shall not by act or omission permit any building or other improvement on land not subject to the lien of this Security Instrument to encroach onto or otherwise rely upon the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Borrower hereby assigns to Lender any rights to give consent for all or any portion of the Premises or any interest therein to be so used. No Improvement shall encroach onto or otherwise rely upon any land not subject to the lien of this Security Instrument or any interest therein to fulfill any governmental or municipal requirement. Borrower shall not by act or omission impair the integrity of the Premises as a single zoning lot separate and apart from all other land. Any act or omission by Borrower which would result in a violation of any of the provisions of this paragraph 5 shall be void. Borrower shall duly and punctually perform and comply with all covenants and conditions expressed as binding upon it under any recorded document or any other agreement of any nature whatsoever binding upon it which pertains to the Premises.

6. Liens, Encumbrances and Transfers of Ownership. Borrower shall keep the Premises free from liens of mechanics and materialmen and from all other liens, charges, and encumbrances of whatever nature regardless of (i) whether the same arise voluntarily or involuntarily on the part of Borrower and (ii) whether the same are subordinate to, prior to, or on a parity with the lien of this Security Instrument, and shall furnish to Lender satisfactory evidence of the payment and discharge of any such liens, charges, and encumbrances, asserted or claimed to exist against the Premises, except for any lien or encumbrance expressly consented to by Lender, with respect to which Borrower shall pay, when due, the obligations relating thereto and upon Lender's request, furnish to Lender satisfactory evidence of such payment or payments. Without in any way limiting Lender's right to withhold its consent to Borrower hereinafter granting or creating a lien against all or any part of the Premises which is subordinate to the lien hereof, any lien for which such consent is given shall be subject and subordinate to all leases pertaining to the Premises whether then in existence or thereafter arising, and further subject to any renewals, extensions, modifications, releases, increases, changes or exchanges pertaining to the Obligations, without the consent of such subordinate lien holder and without any obligation to give notice of any kind thereto, regardless of whether or not expressed in such consent or in the document granting such subordinate lien. Borrower shall not, without the prior written consent of Lender, sell, transfer, convey, lease or sublease, alien, pledge, hypothecate, mortgage, encumber, or assign the title or any interest (beneficial or otherwise) therein to all or any portion of the Premises, or the rents, issues, or profits therefor, whether by operation of law, voluntarily, or otherwise, and shall not contract to do any of the foregoing.

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7. Stamp Tax. If at any time the United States of America or any state, local or municipal government shall require Internal Revenue or other documentary stamps, hereon or on the Notes, or shall otherwise impose a tax or impose an assessment on this Security Instrument or on the Notes or shall require payment of an interest equalization tax upon the Obligations, then the principal of the Obligations and the accrued interest thereon shall be and become due and payable at the election of Lender 30 days after the mailing of notice of such election to Borrower; provided, however, said election shall be unavailing and this Security Instrument and the Notes shall be and remain in effect if Borrower lawfully may pay for such stamps or such tax, including interest and penalties thereon, to or on behalf of Lender and Borrower does in fact pay, when payable, for all such stamps or such tax, as the case may be, including interest and penalties thereon.

8. Effect of Change in Laws Regarding Taxation. In the event of the enactment, after the date of this Security Instrument, of any Law of the United States of America or of the state in which the Premises are located which deducts from the value of the land for the purpose of taxation any lien thereon, or imposing upon Lender the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Borrower, or changing in any way the Laws relating to the taxation of mortgages or debts secured by mortgages or Lender's interest in the Premises, or the manner of collection of taxes, so as to affect this Security Instrument or the Obligations or the holder thereof, then, and in any such event, Borrower, upon demand by Lender, shall pay such taxes or assessments, or reimburse Lender therefor; provided, however, that if, in the opinion of counsel for Lender, (i) it might be unlawful to require Borrower to make such payment or (ii) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by applicable Law, then, and in any such event, Lender may elect, by notice in writing given to Borrower to declare all of the Obligations to be and become due and payable within 30 days from the giving of such notice. Notwithstanding the foregoing, Borrower shall not be obligated to pay any portion of Lender's federal or state income tax.

9. Authority. Borrower is lawfully seized of the Premises, the same are free from all liens and encumbrances except those which are set forth in Exhibit B attached hereto and made a part hereof, and Borrower has good right, full power and lawful authority to convey and mortgage same.

10. Eminent Domain. Borrower shall give Lender immediate notice of any action or proceeding for the taking through condemnation of the Premises or any part thereof, including severance and consequential damage and change in grade of streets, and shall deliver to Lender copies of any papers served in connection with any such action or proceeding. Lender is hereby authorized, at its option, to commence, appear in and prosecute, through counsel selected by Lender, in its own or in Borrower's name, any such action or proceeding. All compensation, awards, damages, claims, rights of action and proceeds and the right thereto (collectively "Awards") are hereby assigned by Borrower to Lender and Lender is hereby authorized to collect and receive from any governmental authority any Awards heretofore or hereafter made or to be made to the present and all subsequent owners of the Premises by any such for the taking, by

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condemnation or eminent domain, hereby assigned from Borrower to Lender, as aforesaid, and Lender is hereby authorized to give appropriate receipts and acquittances therefor. Borrower shall make, execute and deliver to Lender at any time or times upon request, free, clear, and discharged of any encumbrances of any kind whatsoever, any further assignments and instruments deemed necessary by Lender for the purpose of validly and sufficiently assigning to Lender all Awards heretofore and hereafter to be made to Borrower for any taking, either permanent or temporary, under any such proceeding. The proceeds of all Awards shall be paid to Lender and may be applied by Lender, at its option, after the payment of all of its expenses in connection with such proceedings, including costs and reasonable attorneys' fees, to the reduction of the Obligations or to restoring the Improvements (in which event the same shall be paid out in the same manner as is provided with respect to insurance proceeds in paragraph 3(a) hereof), all without affecting the security interest created by this Security Instrument. No interest shall be allowed to Borrower on any Award paid to or held by Lender. Borrower shall execute such further assignments of any Awards as Lender may require.

11. Rents and Leases. (a) Pursuant to the assignment made by Borrower in clause (e) in the granting clauses of this Security Instrument, Lender is entitled to receive all rents, issues, proceeds and profits accruing and to accrue from the Premises pursuant to any leases with respect thereto. Borrower hereby grants and confers upon Lender the right, power and authority to collect all such rents, issues, proceeds and profits and Borrower appoints Lender its true and lawful agent and attorney-in-fact, at the option of Lender, at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue in the name of Borrower, for all such rents, issues, profits and proceeds accrued but unpaid and in arrears at the date of an event of default hereunder as well as all such rents, issues, profits and proceeds thereafter accruing and becoming payable during the continuance of any such event of default, and to apply the same to the Obligations; provided, however, that Borrower shall have the right to collect all such rents, issues, profits and proceeds (but not more than one month in advance unless the written approval of Lender has first been obtained), and to retain and enjoy the same, so long as an event of default shall not have occurred hereunder. Upon request of Lender, Borrower shall execute and deliver to Lender the following: (i) a specific assignment, in recordable form, of any lease, sublease, license, concession or other agreement now or hereafter affecting all or any portion of the Premises to furnish evidence of the assignment made by this Security Instrument; and (ii) such other instruments as Lender may deem necessary, convenient or appropriate in connection with the payment and delivery directly to Lender of all of the rents, issues, profits and proceeds accruing and to accrue under any of the leases of all or any portion of the Premises. Borrower acknowledges that to facilitate the performance of its obligations hereunder and under the Loan Documents, the assignment of the rents, issues, profits and proceeds and of Borrower's right, title and interest in and to such leases, is intended to be an absolute assignment from Borrower to Lender and not merely the granting of a security interest. Lender may require Borrower to execute and deliver a separate document, in recordable form, to evidence this absolute assignment on the terms contained herein, which document shall set forth such other terms and conditions as Lender may deem necessary or appropriate.

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(b) Nothing in this Security Instrument or in any other Loan Document shall be construed to obligate Lender, expressly or by implication, to perform any of the covenants of Borrower, as lessor, lessee or assignor, under any of the leases assigned to Lender or to pay any sum of money or damages therein provided to be paid by the lessor or lessor's assignee, each and all of which covenants and payments Borrower agrees to perform and pay.

(c) In the event of the enforcement by Lender of the remedies provided for by Law or by this Security Instrument, the lessee under each lease of all or any part of the Premises subordinate to the lien of this Security Instrument shall, at the option of Lender, attorn to any person succeeding to the interest of Borrower, as a result of such enforcement and shall recognize such successor in interest as lessor under such lease without change in the terms or other provisions thereof; provided, however, that said successor in interest shall not be bound by any payment of rent for more than one month in advance or any amendment or modification to any lease made without the prior consent of Lender or said successor in interest.

(d) At the option of Lender, this Security Instrument shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any leases of all or any part of the Premises, upon the execution by Lender and recording thereof, at any time hereafter, in the Office of the Recorder in and for the county wherein the Real Estate is situated, of a unilateral declaration to that effect.

12. Inspection of Premises. Borrower shall permit Lender and its agents to inspect the Premises at all times during normal business hours, except in the case of an emergency, and access thereto shall be permitted for such purpose.

13. Access by Lender. Borrower shall at all times deliver to Lender duplicate originals or certified copies of all leases, agreements and documents relating to the Premises. Borrower shall keep and maintain full and correct records showing in detail the income and expenses of the Premises and upon written demand therefor shall allow Lender to examine and copy such books and records and all supporting vouchers and data any time and from time to time, on request, at its offices, hereinbefore identified, or at such other location as may be mutually agreed upon.

14. Future Advances. All future advances made by Lender at any time before full payment of the Obligations, including obligatory advances hereunder or under any of the Loan Documents and advances made at the option of Lender, shall, together with interest thereon, be on a parity with, and not subordinate to, the Obligations, although there may be no advance made at the time of execution of this Security Instrument and although there may be no Obligations outstanding at the time any advance is made. All such future advances shall be secured hereby in accordance with all covenants and agreements herein contained; provided, that the amount of principal secured hereby and remaining unpaid shall not, including the amount of such advances, exceed the sum of \$5,600,000.00; and provided, further that if Lender shall make future advances as aforesaid, Borrower shall repay all such advances in accordance with the note or notes, or agreement and agreements, evidencing the same, which shall be payable no later than

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the maturity of this Security Instrument and shall include such other terms as Lender shall require.

15. Partial Invalidity. Borrower and Lender intend and believe that each provision in this Security Instrument comports with all applicable Laws. However, if any provision or provisions, or if any portion of any provision or provisions, in this Security Instrument is found by a court of competent jurisdiction to be in violation of any applicable Laws, and if such court should declare such portion, provision or provisions of this Security Instrument to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Borrower and Lender that such portion, provision or provisions shall be given force to the fullest possible extent that it or they are legal, valid and enforceable, that the remainder of this Security Instrument shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained herein, or therein, as the case may be, and that the rights, obligations and interest of Borrower and Lender under the remainder of this Security Instrument shall continue in full force and effect. If under the circumstances, interest in excess of the limit allowable by applicable Law shall have been paid by Borrower in connection with the Obligations, such excess shall be applied by Lender to the unpaid principal balance of the Obligations in such manner as Lender may in its sole discretion determine, or refunded to Borrower in the manner to be determined by Lender and if any such excess interest has accrued, Lender shall eliminate such excess interest so that under no circumstances shall interest on the Obligations exceed the maximum rate allowed by applicable Law.

16. Subrogation. In the event the proceeds of the Obligations, or any part thereof, or any other amount paid out or advanced by Lender shall be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon the Premises or any part thereof, Lender shall be subrogated to such other lien or encumbrance and to any additional security held by the holder thereof and shall have the benefit of the priority of all of same.

17. Lender's Right to Deal with Transferee. In the event of the voluntary sale, or transfer by operation of law, or otherwise, of all or any part of the Premises, Lender is hereby authorized and empowered to deal with such vendee or transferee with reference to the Premises, or the Obligations, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might with Borrower, without in any way releasing, or discharging Borrower from Borrower's covenants and undertakings hereunder, specifically including paragraph 6 hereof, and without Lender waiving its rights to accelerate the Obligations in the event of a breach of paragraph 6 hereof.

18. Execution of Security Agreement and Financing Statement. Borrower, within ten days after request, shall execute, acknowledge and deliver to Lender any security agreement, financing statement, or other similar security instrument, in form satisfactory to Lender, covering all property of any kind whatsoever owned by Borrower which, in the sole opinion of Lender, is essential to the operation of the Premises and concerning which there may be any doubt as to whether the title to same has been conveyed, or a security interest therein perfected, by this Security Instrument under the Laws of the state in which the Real Estate is located and shall

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further execute, acknowledge, and deliver any financing statement, affidavit, continuation statement, or certificate or other documents as Lender may request in order to perfect, preserve, maintain, continue, and extend such security interest. Borrower further agrees to pay to Lender, on demand, all costs and expenses (including reasonable attorneys' fees) incurred by Lender in connection with the preparation, execution, recording, filing, and refiling of any such document. To the extent that this Security Instrument operates as a security agreement under the Uniform Commercial Code, Lender shall have all rights and remedies conferred therein for the benefit of a Secured Party. The Borrower hereby irrevocably authorizes the Lender at any time, and from time to time, to file in any jurisdiction any initial financing statement and/or amendment thereto that (a) designates the Collateral (i) as all assets of the Borrower or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed, or (ii) as being of an equal or lesser scope or within greater detail, and (b) contains any other information required by Section 5 of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed regarding the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether the Borrower is an organization, the type of organization and any organization identification number issued to the Borrower, and (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates.

19. Certain Acts of Lender. Lender, at its sole option, without notice and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens, (i) may release any part of the Premises or any person liable for any Obligations, without in any way affecting the liability under this Security Instrument or the Loan Documents, and without in any way affecting the priority of the lien of this Security Instrument, (ii) may agree with any person obligated on the Obligations to extend the time for payment of any part or all of the Obligations, (iii) may accept a renewal note or notes therefor, (iv) may take or release other or additional security for the Obligations, (v) may consent to any plat, map or plan of the Premises, (vi) may consent to the granting of any easement, (vii) may join in any extension or subordination agreement, (viii) may agree in writing with Borrower to modify the rate of interest or period of amortization of the Obligations or change the time of payment or the amount of the monthly installments payable thereunder, or (ix) may waive or fail to exercise any right, power or remedy granted by law, this Security Instrument or the Loan Documents. Any such agreement shall not, in any way, release or impair the lien created by this Security Instrument, or reduce or modify the liability, if any, of any person personally obligated for the Obligations, but shall, as applicable, extend the lien hereof as against the title of all persons having any interest in the Premises which interest is subject to this Security Instrument.

20. Expenses Incurred by Lender. Any costs, damages, expenses or fees, including attorneys' fees, incurred by Lender in connection with (i) sustaining the lien of this Security Instrument or its priority, (ii) obtaining any abstract, title opinion, title report, title searches, commitment for title insurance or title insurance policy, (iii) protecting the Premises, (iv) protecting or enforcing any of Lender's rights hereunder, (v) recovering any Obligations, (vi)

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any litigation or other legal proceedings (including bankruptcy, probate and administrative law proceedings) affecting this Security Instrument or the Premises, or (vii) preparing for the commencement, defense or participation in any threatened litigation or proceedings as aforesaid, or as otherwise enumerated in paragraph 21(c) hereof, shall be so much additional Obligations and shall be immediately due and payable by Borrower, without notice, with interest thereon at the default interest rate specified in the Notes.

21. Default and Remedies. (a) It shall constitute an event of default under this Security Instrument when and if (i) any "Event of Default" occurs under the Notes, (ii) any default occurs in the due and punctual performance of or compliance with any term, covenant or condition in this Security Instrument and said default continues for a period of 30 days after Lender gives written notice thereof to Borrower; provided, however, that if said default cannot be cured within said 30 day period, Borrower has commenced to effect a cure within such 30 day period and Borrower diligently pursues such cure, Borrower shall have so much additional time as may be reasonably necessary to cure said default, but in no event more than 90 days from the date of the occurrence of said default, or (iii) any of the representations or warranties of Borrower made herein shall prove to be false in any material respect when made.

(b) In addition to any other remedy herein specified, if any event of default under this Security Instrument shall occur, Lender may, at its option, (i) declare the entire amount of the Obligations to be immediately due and payable, without notice or demand (each of which is hereby expressly waived by Borrower) whereupon the same shall become immediately due and payable, (ii) institute proceedings for the complete foreclosure of this Security Instrument, (iii) institute proceedings to collect any delinquent installment or installments of the Obligations without accelerating the due date of the entire amount of the Obligations by proceeding with foreclosure of this Security Instrument with respect to any delinquent installment or installments of the Obligations only, and any sale of the Premises under such a foreclosure proceedings shall be subject to, and shall not affect the unmatured part of the Obligations, and this Security Instrument shall be and continue as a lien on the Premises securing the unmatured Obligations, (iv) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in this Security Instrument or any of the Loan Documents, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Lender shall elect, (v) with respect to any part of the Premises constituting property of the type in respect of which a security interest granted thereon is governed by the Uniform Commercial Code, exercise all rights, options and remedies of secured parties under the Uniform Commercial Code, including the right to possession of any such property or any part thereof, and the right to enter, without legal process, any premises where any such property may be found, it being agreed and understood by Borrower that any requirement of the Uniform Commercial Code for reasonable notification shall be sent by mailing written notice to Borrower at its address set forth below at least ten days prior to sale or other event for which such notice is required, or (vi) enforce this Security Instrument in any other manner permitted under the Laws of the state in which the Premises are situated.

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(c) In any suit to foreclose the lien of this Security Instrument (including any partial foreclosure pursuant to clause (iii) of paragraph 21(b) hereof) or enforce any other remedy of Lender under this Security Instrument or any of the Loan Documents there shall be allowed and included, as additional Obligations in the judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of Lender for reasonable attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title commitments, title reports, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Lender may deem 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 value of the Premises.

(d) Upon the occurrence of an event of default hereunder, whether or not the entire principal of the Obligations 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, forthwith, upon application by Lender, Borrower shall surrender to Lender and Lender shall be entitled to take actual possession of the Premises, or any part thereof, personally or by its agent or attorneys, as for condition broken and to the fullest extent permitted by any applicable Laws, Lender in its discretion may enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records, papers, and accounts of Borrower or the then manager of the Premises relating thereto, and may exclude Borrower, its agents, or servants, wholly therefrom and may, as attorney-in-fact or agent of Borrower, or in its own name as Lender and under the powers herein granted: (i) 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 recovery of rent, actions in forcible detainer and actions in distress for rent, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any times hereafter, without notice to Borrower, (ii) cancel or terminate any lease or sublease for any cause or on any ground which would entitle Borrower to cancel the same, (iii) elect to disaffirm any lease or sublease made subsequent to this Security Instrument or subordinated to the lien hereof, (iv) extend or modify any then existing leases and 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 Obligations and 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 herein, shall be binding upon Borrower and all persons whose interests in the Premises are subject to the lien hereof and to be also binding upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Obligations, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser, (v) make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements to the Premises as to Lender may seem judicious, (vi) insure and reinsure the

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Premises and all risks incidental to Lender's possession, operation, and management thereof, and (vii) receive all 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 times hereafter without notice to Borrower.

Lender 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. Borrower shall and does hereby agree to indemnify and hold Lender harmless of and from any liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of and from any 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 contained in said leases. Should Lender incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees and expenses, shall be secured hereby, and Borrower shall reimburse Lender therefor immediately upon demand.

(e) Any avails, rents, issues and profits of the Premises received by Lender after having possession of the Premises, or pursuant to any assignment thereof to Lender under the provisions of this Security Instrument or of any separate assignment of rents or assignment of leases, shall be applied in payment of or on account of the following, in such order as Lender (or in case of a receivership, as the court) may determine: (i) to the payment of the operating expenses of the Premises, including reasonable compensation to Lender or the receiver and its agent or agents, if management of the Premises has been delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring lessees and entering into leases and the payment of premiums of insurance hereinabove authorized, (ii) to the payment of taxes, special assessments, and water taxes and other charges now due or which may hereafter become due on the Premises, or which may become a lien prior to the lien of this Security Instrument, (iii) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Premises, including the cost from time to time of installing or replacing personal property or fixtures necessary to the operation of the Premises, and of placing said priority in such condition as will, in the sole judgment of Lender or receiver, make the Premises readily rentable, (iv) to the payment of any Obligations or any deficiency which may result from any foreclosure sale, or (v) with respect to any surplus or remaining funds, to such person or persons as shall be legally entitled thereto.

(f) Upon or at any time after the filing of any action to foreclose this Security Instrument, Borrower consents, upon application by Lender, to the appointment of a receiver of the Premises. Such appointment may be made either before or after sale without notice and without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the Obligations and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not, and without bond being required of the applicant. Such receiver shall have the power to take possession, control, and care of the Premises and to collect the rents, issues, and profits of the Premises during the

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pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption (provided that the period of redemption has not been waived by Borrower), as well as during any further times when Borrower, its heirs, administrators, executors, successors, or assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues, and profits, and all other powers which may be necessary or are useful in such cases for the protection, possession, control, management, and operation of the Premises, during the whole of said period. To the extent permitted by applicable Law, said receiver may be authorized by the court to extend or modify any then existing leases 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 Obligations, it being understood and agreed that any such leases and the options or other such provisions to be contained therein, shall be binding upon Borrower 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 Obligations, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser.

(g) All or any portion of the Premises or any interest or estate therein sold pursuant to any court order or decree obtained pursuant to this Security Instrument shall be sold in one parcel as an entirety, or in such parcels and in such manner or order as Lender, in its sole discretion, may elect, to the maximum extent permitted by the Laws of the state in which the Premises are situated. At any such sale, Lender may bid for and acquire, as purchaser, the Premises or any part thereof, and in lieu of paying cash therefor, may make settlement for the purchase price by crediting upon the Obligations due the amount of Lender's bid.

(h) The proceeds of any sale of the Premises shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in paragraph 21(c) hereof, (ii) all other items which, under the terms hereof, constitute Obligations additional to that evidenced by the Notes, with interest thereon, at the default interest rate specified in the Notes, (iii) all principal and interest remaining unpaid on the Notes in such order as Lender may, in its sole discretion, determine and (iv) any overplus to such person or persons as shall be legally entitled thereto.

(i) With respect to any deposits made with or held by Lender or any depositary pursuant to any of the provisions of this Security Instrument, if an event of default hereunder shall occur, Lender may, at its option, without being required to do so, apply any monies or securities which constitute such deposits on any of Borrower's obligations herein or in any of the Loan Documents, in such order and manner as Lender may elect. When the Obligations have been fully paid, any remaining deposits shall be paid to Borrower or to such persons or persons as may be legally entitled thereto. Such deposits are hereby pledged as additional security for the prompt payment of the Obligations and any other indebtedness hereunder and shall be held to be irrevocably applied by the depositary for the purposes for which made hereunder and shall not be subject to the direction or control of Borrower.

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(j) At any foreclosure proceeding, if the Premises shall be sold for a sum less than the total amount of the indebtedness for which judgment is therein given, the judgment creditor shall be entitled to the entry of a deficiency decree against Borrower and against the property of Borrower for the amount of such deficiency and Borrower does hereby irrevocably consent to the appointment of a receiver for the Premises and the property of Borrower and of the avails, rents, issues and profits thereof after such sale until such deficiency decree is satisfied in full.

(k) No action for the enforcement of the lien of this Security Instrument shall be subject to any defense which would not be good and available to the party interposing the same in an action of law upon the Notes.

(l) To the extent permitted by applicable Law, acceptance by Lender of any payment which is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of Lender's right to exercise its option to declare the whole of the principal of the Obligations then remaining unpaid, together with all accrued interest thereon, immediately due and payable without notice, or any other rights of Lender at that time or any subsequent time, nor nullify any prior exercise of such option or such rights of Lender without its express consent.

(m) Upon the occurrence of an event of default hereunder and following the acceleration of maturity as aforesaid, a tender of payment of the amount necessary to satisfy the entire Obligations made at any time prior to foreclosure sale by Borrower or by anyone in behalf of Borrower shall constitute an evasion of the prepayment privilege set forth in the Notes and shall be deemed to be a voluntary prepayment hereunder, and such prepayment, to the extent permitted by applicable Law, will therefore include the premium or other payment required under the prepayment privilege, if any, contained in the Notes. In case, after legal proceedings are instituted to foreclose this Security Instrument, tender is made of the entire Obligations due hereunder, Lender shall be entitled to reimbursement for expenses incurred in connection with such legal proceedings, including such expenditures as are enumerated above, and such expenses shall be so much additional Obligations, and no such suit or proceedings shall be dismissed or otherwise disposed of until such fees, expenses, and charges shall have been paid in full.

(n) No delay in the exercise of or failure to exercise any remedy or right accruing on the occurrence of any event of default hereunder shall impair any such remedy or right or be construed to be a waiver of any such event of default or acquiescence therein, nor shall it affect any subsequent event of default of the same or of a different nature.

(o) Acceleration of maturity, once made by Lender, may at the option of Lender be rescinded, and any proceedings brought to enforce any rights or remedies hereunder may, at Lender's option, be discontinued or dismissed, whereupon, in either of such events, Borrower and Lender shall be restored to their former positions, and the rights, remedies and power of Lender shall continue as if such acceleration had not been made or such proceedings had not been commenced, as the case may be.

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(p) The rights and remedies of Lender as provided in this Security Instrument and the Loan Documents shall be cumulative and concurrent and may be pursued separately, successively or together against Borrower, any guarantor or the Premises, or any one or more of them, at the sole discretion of Lender, and may be exercised as often as occasion therefor shall arise, all to the maximum extent permitted by the Laws of the state in which the Premises are situated. If Lender elects to proceed under one right or remedy under this Security Instrument, or the Loan Documents, Lender may at any time cease proceeding under such right or remedy and proceed under any other right or remedy under this Security Instrument or the Loan Documents.

22. Lender's Performance of Defaulted Acts. If an event of default hereunder shall occur, Lender may, but need not, make any payment or perform any act herein required of Borrower in any form and manner deemed expedient by Lender. By way of illustration and not in limitation of the foregoing, Lender may, but need not, (i) make full or partial payments of principal, interest, penalties or late charges on prior encumbrances, if any, (ii) purchase, discharge, compromise, or settle any tax lien or other prior or junior lien or title or claim thereof, (iii) redeem from any tax sale or forfeiture affecting the Premises, (iv) contest any tax or assessment, (v) collect rents, (vi) prosecute collection of any sums due with respect to the Premises, and (vii) make repairs to the Premises. Lender is hereby authorized to make or advance, in the place and stead of Borrower, any payment relating to taxes, assessments, water rates, sewer rentals, and other governmental charges, fines, impositions, or liens asserted against the Premises and may do so according to any bill, statement, or estimate procured from the appropriate governmental authority without inquiry into the accuracy of the bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien, or title or claim thereof, and Borrower is further authorized to make or advance in the place and stead of Borrower any payment relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim, or charge, or payment otherwise relating to any other purpose herein and hereby authorized, but not enumerated in this paragraph 22, and may do so whenever, in Lender's sole judgment and discretion, such advance or advances shall seem necessary or desirable to protect the full security intended to be created by this Security Instrument, and in connection with any such advance, Lender, at its option, may and is hereby authorized to obtain a continuation abstract or report of title or commitment for title insurance or title insurance policy prepared by an abstractor or title insurance company of Lender's choosing. All monies paid or incurred in connection therewith, including attorney's fees, and any other monies advanced by Lender to protect the Premises and the lien hereof, shall be so much additional Obligations, and shall become immediately due and payable by Borrower to Lender without notice and with interest thereon at the interest rate specified in the Notes. Inaction of Lender shall never be considered as a waiver of any right accruing to it on account of any default on the part of Borrower or event of default hereunder.

23. Giving of Notice. Except to the extent expressly provided otherwise in this Security Instrument, all notices which any party may be required or may desire to give in connection with this Security Instrument shall be in writing, and shall be personally delivered, sent by overnight express delivery by a nationally recognized delivery service, freight prepaid, or sent by United States Registered or Certified Mail, postage prepaid, addressed as follows:

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If to Borrower at: 1001 W. Exchange, LLC  
1001 W. Exchange Avenue  
Chicago, IL 60609  
Attn: Mark Chudacoff

If to Lender at: LaSalle Bank National Association  
135 South LaSalle Street  
Chicago, Illinois 60603  
Attn: Adam Gelfeld

Notices, demands and requests which shall be served in the manner aforesaid shall be deemed to be sufficiently delivered or given for all purposes hereunder (i) in the case of personal delivery upon such delivery, (ii) in the case of overnight express delivery, one business day after delivery to such delivery service and (iii) in the case of mailing by Registered or Certified Mail, five business days after such notice, demand or request shall be mailed. By notice complying with the foregoing provisions of this paragraph 23, either party may from time to time change its address for notice purposes, except that any such notice shall not be deemed delivered until actually received. Except as otherwise specifically required, notice of the exercise of any option, right or remedy granted to Lender herein in the Notes or in the Loan Documents is not required to be given.

Any notice required to be given by Bank of a sale, lease, other disposition of the Collateral or any other intended action by Bank, deposited in the United States mail, postage prepaid and duly addressed to Borrower at the address specified above not less than five days prior to such proposed action, shall constitute commercially reasonable and fair notice to Borrower thereof.

24. Time is of the Essence. It is specifically agreed that time is of the essence of this Security Instrument. The waiver of any of the options, rights or remedies of Lender shall not at any time thereafter be held to be abandonment of such rights.

25. Lender's Lien for Service Charge and Expenses. At all times, regardless of whether any proceeds of the Notes has been disbursed, this Security Instrument shall secure (in addition to any proceeds of any Obligations disbursed from time to time) the payment of any loan commissions, origination fees, service charges, liquidated damages, expenses and advances due to or incurred by Lender in connection with the Obligations. Borrower hereby agrees to reimburse Lender upon demand for all fees and expenses, including attorneys' fees, incurred by Lender in connection with the preparation and negotiation of this Security Instrument and the Loan Documents.

26. Modifications. This Security Instrument may not be changed, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against which enforcement of the change, waiver, discharge or termination is asserted.

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27. Covenants to Run with the Real Estate. All the covenants of Borrower hereof shall run with and touch and concern the Real Estate.

28. Captions. The captions and headings of various paragraphs 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.

29. Construction. This Security Instrument shall be governed by and construed and enforced according to the Laws of the state in which the Real Estate is located.

30. Binding on Successors and Assigns; Certain Definitions. This Security Instrument and all provisions and covenants of Borrower hereof shall extend to and be binding upon Borrower's successors and assigns and all persons claiming under or through Borrower, and the word "Borrower" when used herein shall include and refer to, in addition to Borrower named herein, (i) all such persons liable for the payment of the Obligations or any part thereof, whether or not such persons shall have executed the Notes or this Security Instrument, (ii) Borrower's successors and assigns and (iii) all owners from time to time of the Premises. The word "Lender" when used herein shall include the successors and assigns of Lender named herein, and the holder or holders, from time to time, of the Notes. The following words and phrases shall be construed as follows: (x) "any" shall be construed as "any and all"; (y) "include" and "including" shall be construed as "including but not limited to"; and (z) "will" and "shall" shall each be construed as mandatory. The words "hereby", "hereof," "hereto," "herein" and "hereunder" and any similar terms shall refer to this Security Instrument as a whole and not to any particular paragraph. The word "hereafter" shall mean after the date of this Security Instrument and the word "heretofore" shall mean before the date of this Security Instrument. Words of the masculine, feminine or neuter gender shall mean and include the corresponding words of the other genders, and words implying the singular number shall mean and include the plural number and vice versa. References to and other words implying persons shall include firms, associations, partnerships (including limited partnerships), limited liability companies, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

31. Further Assurances. Borrower shall execute, acknowledge and deliver to Lender and to any subsequent holder of the Notes from time to time upon demand (and pay the costs of preparation and recording thereof) any further instrument or instruments, including, but not limited to, mortgages, security agreements, financing statements, assignments and renewal and substitution notes, so as to reaffirm, to correct and to perfect the evidence of the Obligations and the lien of Lender to all or any part of the Premises intended to be hereby mortgaged, whether now mortgaged, later substituted for, or acquired subsequent to the date of this Security Instrument and extensions or modifications thereof, and will do or cause to be done all such further acts and things as may be necessary fully to effectuate the intent of this Security Instrument.

32. Recording and Filing. Borrower, at its expense, will cause this Security Instrument and all supplements thereto for which constructive notice must be given to protect

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Lender, at all times to be recorded and filed, and re-recorded and refiled, in such manner and in such places as Lender shall request, and will pay all such recording, filing, re-recording, re-filing, taxes, fees and other charges to the maximum extent permitted by the Laws of the state in which the Premises are situated.

33. Right to Contest Taxes and Mechanics' Liens. The obligations of Borrower under paragraphs 2 and 6 hereof, are subject to the rights Borrower shall have to contest in good faith the validity or amount of any tax or assessment or lien arising from any work performed at or materials furnished to the Premises which right, however, is conditional upon (i) such contest having the effect of preventing the collection of the tax, assessment or lien so contested and the sale or forfeiture of the Premises or any part thereof or interest therein to satisfy the same, (ii) Borrower giving Lender written notice of its intention to contest the same in a timely manner, which, with respect to any contested tax or assessment, shall mean before any such tax, assessment or lien has been increased by any penalties or costs, and with respect to any contested mechanic's lien claim, shall mean within ten days after Borrower receives actual notice of the filing thereof, (iii) Borrower making and thereafter maintaining with Lender or such other depository as Lender may designate, a deposit of cash (or United States government securities, in discount form, or other security as may, in Lender's sole discretion, be acceptable to Lender, and in either case having a present value equal to the amount herein specified) in an amount not less than 150% of the amount which, in Lender's sole judgment, determined from time to time, shall be sufficient to pay in full such contested tax, assessment or lien and penalties, costs and interest that may become due thereon in the event of a final determination thereof adverse to Borrower or in the event Borrower fails to prosecute such contest as herein required, and (iv) Borrower diligently prosecuting such contest by appropriate legal proceedings. In the event Borrower shall fail to prosecute such contest with reasonable diligence or shall fail to maintain sufficient funds, or other security as aforesaid, on deposit as hereinabove provided, Lender may, at its option, liquidate the securities deposited with Lender, and apply the proceeds thereof and other monies deposited with Lender in payment of, or on account of, such taxes, assessments, or liens or any portion thereof then unpaid, including the payment of all penalties and interest thereon.

34. Waivers by Borrower. To the extent permitted by all applicable Laws, Borrower shall not apply for or avail itself of any appraisal, valuation, reinstatement, redemption, 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 Security Instrument, but hereby waives the benefit of such laws. Borrower, for itself and all who may claim through or under it, waives any right to have the property and estates comprising the Premises marshaled 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. Borrower hereby waives any rights of redemption, including redemption from judgment of foreclosure and/or from sale under any order or decree of foreclosure, pursuant to rights herein granted, on behalf of Borrower and all persons beneficially interested therein, if any, and each and every person acquiring any interest in or title to the Premises described herein subsequent to the date of this Security Instrument, and on behalf of all other persons to the extent permitted by applicable Laws.

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35. Condition of the Premises. As of the date hereof, the condition of the Premises is substantially the same as that shown on the survey delivered to Lender in connection with the loans evidenced by the Notes and Borrower has taken no action, nor suffered any action to be taken, which might adversely affect Borrower's interest in the Premises, or Borrower's ability to perform its covenants hereunder.

36. After Acquired Property. Any property hereafter acquired and placed, installed or incorporated on or into the Premises, which is of the kind or nature herein provided, or is intended to be and becomes subject to the lien hereof, shall ipso facto, and without any further conveyance, assignment or act of Borrower's become and be subject to the lien of this Security Instrument as fully and completely as though specifically described herein, but nevertheless, Borrower shall from time to time, if requested by Lender, execute and deliver any and all such further assurances, conveyances and assignments as Lender may reasonably require for the purpose of expressly and specifically subjecting to the lien of this Security Instrument all such property.

37. Business Loan Recital. The Notes were executed and delivered in Chicago, Illinois and are governed by the Laws of the State of Illinois without reference to choice of law or conflict of law principles. The loans evidenced by the Notes constitute a business loan which comes within the purview of subparagraph (1)(c) of Section 4 of "An Act in relation to the rate of interest and other charges in connection with sales on credit and the lending of money," approved May 24, 1879, as amended from time to time (815 ILCS 205/4(1)(a)-(n), inclusive), and is an exempted transaction under the Truth-in-Lending Act, 15 U.S.C. Sec. 1601, et seq.

No clause or provision contained in this Security Instrument or any of the Loan Documents shall be construed or shall so operate (a) to raise the interest rate set forth in the Notes above the lawful maximum, if any, in effect from time to time in the applicable jurisdiction for loans to borrowers of the type, in the amount, for the purposes, and otherwise of the kind contemplated; or (b) to require the payment or the doing of any act contrary to law, but if any clause or provision contained shall otherwise so operate to invalidate this Security Instrument and/or any of the Loan Documents, in whole or in part, then (i) such clauses or provisions shall be deemed modified to the extent necessary to be in compliance with applicable Law, or (ii) to the extent not possible, shall be deemed void as though not contained and the remainder of this Security Instrument and the Loan Documents shall remain operative and in full force and effect.

38. No Merger. It being the desire and intention of the parties hereto that this Security Instrument and the lien hereof do not merge in fee simple title to the Premises, it is hereby understood and agreed that should Lender acquire an additional or other interests in or to the Premises or the ownership thereof, then, unless a contrary intent is manifested by Lender as evidenced by an express statement to that effect in an appropriate document duly recorded, this Security Instrument and the lien hereof shall not merge in the said fee simple title, toward the end that this Security Instrument may be foreclosed as if owned by a stranger to the said fee simple title.

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39. No Partnership or Joint Venture. Borrower and Lender acknowledge and agree that in no event shall Lender be deemed to be a partner or joint venturer with Borrower. Without limitation of the foregoing, Lender shall not be deemed to be such a partner or joint venturer on account of its becoming a Lender in possession or exercising any rights pursuant to this Security Instrument, the Loan Documents or otherwise.

40. No Liability on Lender. This Security Instrument is intended only as security for the obligations herein set forth. Notwithstanding anything contained herein to the contrary, Lender shall not be obligated to perform or discharge and Borrower hereby undertakes to perform or discharge, any obligation, duty or liability whether arising hereunder, under any of the leases affecting the Premises, under any contract relating to the Premises or otherwise, and Borrower shall and does hereby agree to indemnify against and hold Lender harmless of and from: (i) any liability, loss or damage which Lender may incur under or with respect to any portion of the Premises or under or by reason of its exercise of rights hereunder and (ii) any claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in any of the contracts, documents or instruments affecting any portion of the Premises or affecting any rights of Lender thereto. Lender shall have no responsibility for the control, care, management or repair of the Premises and shall not be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss or injury or death to any lessee, licensee, employee, stranger or other person. No liability shall be enforced or asserted against Lender in its exercise of the powers herein granted to it, and Borrower expressly waives and releases any such liability. Should Lender incur any such liability, loss or damage under any of the leases affecting the Premises or under or by reason hereof, or in the defense of any claims or demands, Borrower agrees to reimburse Lender immediately upon demand for the full amount thereof, including costs, expenses and reasonable attorneys' fees.

41. Consent and Approval. Whenever in this Security Instrument or as a matter of law it is provided or held that Lender's consent or approval shall not be unreasonably withheld or the actions of Lender shall be reasonable or not unreasonable, the remedy of Borrower in the event Borrower shall claim and establish that Lender has unreasonably withheld such consent or approval or has acted unreasonably, shall be limited to injunction or declaratory judgment and in no event shall Lender be liable for a money judgment.

42. Document Preparation. Borrower will, on demand, reimburse Lender for the fees and expenses of legal counsel for Lender incurred by Lender in connection with the preparation of this Security Instrument and the Loan Documents, and the negotiation and closing of the transactions contemplated thereby. Borrower will further, on demand, reimburse Lender for all expenses, including the fees and expenses of legal counsel (including legal assistants) incurred by Lender in connection with any amendment or modification of this Security Instrument and/or any of the Loan Documents and the administration of the loans evidenced by the Notes.

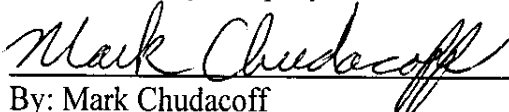
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IN WITNESS WHEREOF, Borrower has signed these presents the day and year first above written.

1001 W. EXCHANGE, LLC, an Illinois  
limited liability company

  
\_\_\_\_\_

By: Mark Chudacoff

Its: Manager

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10-10-2019  
10:00 AM



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## **EXHIBIT A** **REAL ESTATE**

LOT 2, (EXCEPT THE SOUTH 196.33 FEET THEREOF) IN DONOVAN INDUSTRIAL PARK, BEING A SUBDIVISION OF PART OF LOTS 3, 4, 5, 6, 7, 8, 9 AND 10 IN STOCK YARDS SUBDIVISION OF THE EAST ½ OF SECTION 5, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: 1001 W. EXCHANGE AVENUE, CHICAGO, ILLINOIS

PIN: 20-05-200-108-0000

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## EXHIBIT B PERMITTED LIENS AND ENCUMBRANCES

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