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Cook County Recorder

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Prepared by and
Return To:

Frederick J. Berger
Richard J. Schnidman
Riezman Berger, P.C.
7700 Bonhomme Avenue
7th Floor
St. Louis, MO 63105

Recorder's Stamp

Handwritten signature

**MORTGAGE, ASSIGNMENT,
SECURITY AGREEMENT AND FINANCING STATEMENT
(Securing Future Advances and Future Obligations)**

THIS MORTGAGE, ASSIGNMENT, SECURITY AGREEMENT AND FINANCING STATEMENT (the "Mortgage") is made and entered into as of the 7th day of August, 2002 ("date hereof"), by LASALLE BANK NATIONAL ASSOCIATION, a national banking association, not personally, but as Trustee under that certain Trust Agreement dated January 13, 2000 and known as Trust No. 122962, whose mailing address is 135 LaSalle Street, Suite 2500, Chicago, Illinois 60603 and Southeast Partners, an Illinois general partnership, whose address is 8650 S. COMMERCIAL CHICAGO IL 60617 herein sometimes collectively referred to as "Borrower" or as "Mortgagee," to GENERAL MOTORS ACCEPTANCE CORPORATION, a Delaware corporation ("Mortgagee"), whose address is 15303 94th Avenue, Orland Park, Illinois 60462, Post Office Box 466 Orland Park, Illinois 60462.

WHEREAS, Mortgagor is the owner of fee simple title in and to that certain "Land" (as hereinafter defined) located in the County of Cook, State of Illinois, legally described in Exhibit A attached hereto and incorporated herein by this reference, and all "Improvements" and "Fixtures" (as hereinafter defined) and all "Awards", "Contracts" and "Revenues" (as hereinafter defined) arising in connection therewith;

WHEREAS, the Land, Improvements, Fixtures, Awards, Contracts and Revenues are herein transferred to Mortgagee to secure the "Obligations" (as hereinafter defined) of Mortgagor, this Mortgage being a lien against the Land, Improvements, Fixtures, Awards, Contracts and Revenues; and

WHEREAS, the Mortgagor by this Mortgage does grant to Mortgagee a security interest and lien in and to the Fixtures, Awards, Contracts and Revenues.

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NOW, THEREFORE, for and in consideration of One Dollar (\$1.00) and other good and valuable considerations paid by the Mortgagee, the receipt and sufficiency of which are hereby acknowledged by Mortgagor, and for any and all future advances and/or future obligations which may hereafter be advanced to, or incurred by, Mortgagor and/or the Obligor Parties (as hereinafter defined), and to secure the punctual payment by Mortgagor and/or the Obligor Parties of the Obligations when due, whether at stated maturity, by acceleration or otherwise, and the performance and observance of all other agreements, covenants, warranties, representations, obligations and liabilities of Mortgagor under this Mortgage, Mortgagor has and does hereby grant, bargain, sell, mortgage, warrant, convey, alienate, remise, release, assign, transfer, grant a security interest in, set over, deliver and confirm unto the Mortgagee and its substitutes and successors, as applicable, upon the terms and conditions of this Mortgage, with power of sale as provided herein (to the extent permitted by any statutes or laws applicable thereto), the Land described on **Exhibit A** and the Improvements and Fixtures, and further grants to Mortgagee a security interest in and to all other property described in GRANTING CLAUSES THIRD through SIXTH below (Fixtures, Awards, Contracts and Revenues); and the Land, Improvements, Fixtures, Awards, Contracts and Revenues being herein collectively called the "Premises".

GRANTING CLAUSES

MORTGAGOR GRANTS TO MORTGAGEE TO SECURE THE OBLIGATIONS SECURED BY THIS MORTGAGE ALL THE ESTATES, RIGHTS, TITLE AND INTEREST OF MORTGAGOR IN, TO AND UNDER, OR DERIVED FROM THE FOLLOWING PROPERTIES DESCRIBED IN GRANTING CLAUSES FIRST THROUGH SIXTH, INCLUSIVE, PURSUANT TO THE GRANTING CLAUSES SET FORTH IN **SCHEDULE 1 GRANTING CLAUSES** WHICH IS ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE.

TO HAVE AND TO HOLD all and singular the above described Premises, together with the rights, privileges and appurtenances thereto belonging unto the said Mortgagee and to its substitutes or successors forever. And Mortgagor does hereby bind itself, its successors and assigns to warrant and forever defend the Premises unto the said Mortgagee, its substitutes or successors and assigns forever, against the claim or claims of all persons claiming or to claim the same or any part thereof.

This conveyance, however, is made in TRUST to secure all of the Obligations payable to the order of the Mortgagee, which provides for, among other things, acceleration of maturity and for attorneys' fees, as therein stipulated. Should Mortgagor do and perform all of the covenants, representations, warranties and agreements herein contained and comply with the provisions of this Mortgage and do and perform in a prompt and timely manner all of the Obligations as the same shall become due and payable, then this conveyance shall be released at the expense of Mortgagor by the Mortgagee or any subsequent holder hereof.

Without limitation, Mortgagor hereby grants to Mortgagee a security interest in and to all of Mortgagor's present and future Fixtures, Awards, Contracts, and Revenues, and the

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proceeds thereof, and Mortgagee shall have all of the rights and remedies of a "secured party" under the Uniform Commercial Code of the State of Illinois. This Mortgage constitutes and shall be deemed a "security agreement" and "financing statement" for all purposes of said Uniform Commercial Code. The lien of this Mortgage shall also constitute a security interest covering any tangible and intangible personal property described in GRANTING CLAUSE THIRD, FOURTH, FIFTH and SIXTH and all such property is hereby assigned to Mortgagee together with the benefits of all deposits and payments now or hereafter made therein by or on behalf of Mortgagor.

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ARTICLE I

Representations and Warranties of Mortgagor

SECTION 1.01 Title. Mortgagor represents, warrants, covenants and agrees that:

- (i) Mortgagor owns fee simple title to the Premises free and clear of all liens and encumbrances, except for the liens and encumbrances described in the exceptions listed in Mortgagee's title insurance policy (the "Permitted Encumbrances");
- (ii) Mortgagor is the lawful owner of the Premises and that Mortgagor has good right and lawful authority to grant a mortgage, assign and pledge the same as provided herein and, if required, has obtained all consents necessary for granting this Mortgage, conveying, mortgaging, assigning and pledging the same without default under the terms and conditions of any agreements, deeds of trust or mortgages;
- (iii) Mortgagor has not made, done, executed or suffered, and will not make, do, execute or suffer any act or thing whereby Mortgagor's estate or interest in, and title to, the Premises or any part thereof shall or may be impaired, changed or encumbered in any manner whatsoever other than the liens and encumbrances described in the exceptions listed in Mortgagee's title insurance policy (the Lease described in the following subparagraph (iv) of this Section 1.01 shall not be deemed to violate the provisions of this subparagraph (iii) of this Section 1.01);
- (iv) Mortgagor shall not execute any leases affecting the Premises (there are no existing leases affecting the Premises other than that certain Lease between Mortgagor and Southeast Side Chevrolet Sales, L.P. d/b/a William Chevrolet, L.P.) or any part thereof without prior written consent of the Mortgagee; and
- (v) Mortgagor will do, execute, acknowledge and deliver all and every further act, deed, conveyance, transfer and assurance necessary or proper for the carrying out more effectively of the purpose of this Mortgage and, without limiting the foregoing, for granting this Mortgage and conveying, mortgaging, assigning, pledging and confirming unto Mortgagee all of the Premises, or property intended so to be, whether now owned or hereafter acquired, including, without limitation, the preparation, execution and filing of any documents, such as financing statements, continuation statements and assignments, deemed advisable by Mortgagee for maintaining its lien on any property included in the Premises.

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SECTION 1.02 Lien. Mortgagor represents, warrants and agrees that this Mortgage shall create a lien against the Premises and the lien created by this Mortgage shall at all times herein continuously be a lien on the Premises. Mortgagor warrants and represents that it is not in default of and shall not be in default of its obligations in connection with any documents, notes, security agreements, deeds of trust or other documents involving the creation of any indebtedness evidenced by any prior liens of record. Mortgagor covenants that Mortgagor will keep said Premises and the rights, privileges and appurtenances thereto free from all liens of every kind other than the Permitted Encumbrances. Mortgagor shall not amend, alter, modify, extend or renew any documents, notes, security agreements, mortgages or other documents evidencing any prior liens, nor any of the obligations, liabilities, and/or any indebtedness which is secured by any prior liens, except with the prior written consent of Mortgagee. Mortgagor further agrees to protect and defend the title and possession of the Premises so that this Mortgage shall be and remain a lien thereon until the Obligations are fully paid and satisfied, or if foreclosure sale be had hereunder so that the purchaser at said sale shall acquire good title free and clear of all liens and encumbrances other than the Permitted Encumbrances.

SECTION 1.03 Authority. Mortgagor hereby represents, warrants and agrees that: This Mortgage and the Obligations constitute the legal, valid, enforceable and binding obligations of Mortgagor and any and all other obligors named therein, if any, in accordance with their respective terms; and Neither the execution and delivery of this Mortgage or said Obligations or the performance of said Obligations, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of, or compliance with, the terms and conditions of this Mortgage or said Obligations, conflicts with or results in a breach of any of the terms, conditions or provisions of any other restriction or any other agreement or instrument to which Mortgagor is now a party or by which Mortgagor is bound.

SECTION 1.04 Certificates and Permits.

Mortgagor represents, warrants and agrees that Mortgagor shall maintain and cause the lessees and sublessees of the Premises to maintain all necessary certificates, licenses, authorizations, registrations, permits and/or approvals necessary for the operation of all or any part of the Premises or the conduct of Mortgagor's, Mortgagor's lessees' and sublessees' business(es) at the Premises, and will comply with all applicable local, state and federal laws, statutes, rules, regulations, orders and decrees with respect to the Premises and the business operations carried on at the Premises, including, but not limited to, those described in Section 1.09 hereof (herein collectively referred to as "Applicable Laws") and/or obtain all required zoning ordinances, building codes, land uses, environmental and other similar permits or approvals necessary for the conduct of Mortgagor's, Mortgagor's lessees' and sublessees' business(es) at the Premises. Mortgagor represents, warrants and agrees that the present and contemplated use and/or occupancy of the Premises does not conflict with or violate any of the Applicable Laws. Mortgagor represents, warrants and agrees that promptly upon the

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Mortgagee's request, Mortgagor shall deliver to the Mortgagee copies of all ordinances, permits and approvals pertaining to the Premises.

SECTION 1.05 Utilities; Roads; Damage. Mortgagor agrees, represents and warrants that: (A) The Premises are accessible and served by all utilities required for the present and anticipated future use thereof; and (B) The Premises are free from material defect or damage caused by fire or other casualty.

SECTION 1.06 Bankruptcy and Related Actions. Mortgagor represents, warrants and agrees as follows:

(A) The lien of this Mortgage attaches and shall attach to all of Mortgagor's rights and remedies at any time arising under or pursuant to Subsection 365(h) of the Bankruptcy Code, 11 U.S.C. Sections 701 et seq. (the "Bankruptcy Code"), including all of the Mortgagor's rights to remain in possession of the Premises.

(B) Mortgagor shall not, without Mortgagee's written consent, elect to treat or cause any debtor-in-possession or trustee in bankruptcy to treat any lease or sublease as terminated under subsection 365(h)(1) of the Bankruptcy Code. Any such election made without Mortgagee's prior written consent shall be void.

(C) As security for the Obligations, Mortgagor unconditionally assigns, transfer and sets over to Mortgagee all of Mortgagor's claims to any rights to the payment of damages arising from any rejection by any lessor, debtor-in-possession or bankruptcy trustee of any lease or sublease under the Bankruptcy Code. Mortgagee and Mortgagor shall proceed jointly or in the name of Mortgagor in respect of any claim, suit, action or proceeding relating to the rejection of any such lease or sublease including the filing and prosecution of any proofs of claim, adversary proceedings, complaints, motions, applications, notices and other documents in any case in respect of such lessor under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until all of the Obligations secured by this Mortgage shall have been satisfied and discharged in full. Any amounts received by Mortgagee or Mortgagor as damages arising out of the rejection of any lease or sublease as aforesaid shall be applied first to all costs and expenses of Mortgagee (including reasonable attorneys' fees and costs) incurred in connection with the exercise of any of its rights or remedies under this subparagraph and then in accordance with the other applicable provisions of this instrument.

(D) If, pursuant to subsection 365(h)(2) of the Bankruptcy Code, Mortgagor seeks to offset, against the rent reserved in any lease or sublease, the amount of any damages caused by the nonperformance by the lessor of any of its obligations under such lease or sublease after the rejection by lessor of such lease under the Bankruptcy Code, then, Mortgagor shall,

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prior to effecting such offset, notify Mortgagee in writing of its intent so to do, setting forth the amounts proposed to be so offset, and, if Mortgagee objects, then Mortgagor shall not effect any offset of the amounts so objected to by Mortgagee. If Mortgagee has failed to object as aforesaid within ten (10) days after notice from Mortgagor in accordance with the first sentence of this subparagraph, then Mortgagor may proceed to offset the amounts set forth in Mortgagor's notice.

(E) If any action, proceeding, motion or notice shall be commenced or filed in respect of any lessor of all or any part of the Land or Premises in connection with any cause under the Bankruptcy Code, the Mortgagee and Mortgagor shall cooperatively conduct and control any such litigation with counsel agreed upon between Mortgagor and Mortgagee in connection with such litigation. Mortgagor shall, upon demand, pay to Mortgagee all costs and expenses (including reasonable attorneys' fees and costs) paid or incurred by Mortgagee in connection with the cooperative prosecution or conduct of any such proceedings. All such costs and expenses shall be secured by the lien of this instrument.

(F) After obtaining knowledge of a filing of the type described in clause (E) above, Mortgagor shall promptly notify Mortgagee orally of any filing by or against any lessor of a petition under the Bankruptcy Code. Mortgagor shall thereafter promptly give written notice of such filing to Mortgagee, setting forth any information available to Mortgagor as to the date of such filing, the court in which such petition was filed, and the relief sought in such filing. Mortgagor shall promptly deliver to Mortgagee any and all notices, summonses, pleadings, applications and other documents received by Mortgagor in connection with any such petition and any proceedings relating to such petition.

SECTION 1.07 Notice of Litigation. Mortgagor represents and warrants that it will give notice to Mortgagee of any litigation which Mortgagor becomes involved in and will continue to thereafter provide to Mortgagee periodic statements of the status and progress of such litigation as may be requested by Mortgagee.

SECTION 1.08 No Partnership. Mortgagor represents and warrants that nothing contained in this Mortgage is intended to create and there does not exist any legal relationship such as partnership, joint venture, association, principal-agent or agent-principal between Mortgagor and Mortgagee, or in any way make Mortgagee a co-principal, with Mortgagor with reference to the Premises, and inferences to the contrary are hereby expressly negated.

SECTION 1.09 Environmental Matters. Mortgagor represents and warrants to Mortgagee as follows:

There are no "Hazardous Materials" (as hereinafter defined) located or stored within or upon the Premises except for those substances which are ordinary, necessary and incidental to the operation of an automobile dealership in the ordinary course of business and which are disclosed to Mortgagee in writing by Mortgagor and delivered to Mortgagee prior to the date of

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this Mortgage. While any part of the Obligations remain unpaid or unsatisfied or have not been fully performed, all Hazardous Materials which are as of the date of this Mortgage, or will be, contained in, treated, stored, handled, located on, released, discharged from, or disposed of on or from the Premises, shall be contained, treated, stored, handled, located on, released, discharged from, or disposed of, only in compliance with the laws, rules and regulations described in the immediately following sentence. As used herein, the term "Hazardous Materials" includes without limitation, any asbestos, urea formaldehyde foam, insulation, flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, petroleum or petroleum-related substances, or related or unrelated substances or materials defined, regulated, controlled, limited or prohibited in the Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA), as amended (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801, et seq.), the Resource Conservation and Recovery Act (RCRA), as amended (42 U.S.C. Sections 6901, et seq.), the Clean Water Act, as amended (33 U.S.C. Sections 1251, et seq.), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.), and/or in the rules and regulations adopted and publications promulgated pursuant thereto, and in the rules and regulations of the Occupational Safety and Health Administration (OSHA) pertaining to occupational exposure to asbestos, as amended, or in any other federal, state or local environmental law, ordinance, rule, or regulation now or hereafter in effect;

No underground storage tanks and no underground hydraulic lifts, whether in use or not in use, are located in, on or under any part of the Premises and any and all underground storage tanks and/or underground hydraulic lifts previously located on the Premises have been lawfully closed or removed in compliance with all applicable federal, state and local laws, rules, regulations and court orders or administrative orders pertaining to underground storage tanks and/or underground hydraulic lifts;

All of the Premises complies, and will comply, in all respects with applicable, federal, state and local laws, rules, regulations, and court or administrative orders pertaining to the Premises and the condition thereof, including, but not limited to, those pertaining to the environment;

There are no pending claims or threats of claims by private or governmental or administrative authorities relating to environmental impairment, conditions, or regulatory requirements with respect to the Premises.

Mortgagor, at Mortgagor's expense, promptly upon the written request of Mortgagee from time to time, shall provide Mortgagee with an environmental audit report, or an update of such report, all in scope, form and content satisfactory to Mortgagee, acting in a commercially reasonable manner. Provided, however, that Mortgagee agrees not to request Mortgagor to provide an environmental audit report except under the following circumstances:

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Mortgagee or Mortgagor receives notice of a release of Hazardous Material in or on the Premises; Mortgagor alters the intended use of the Premises in any respect; Mortgagor reasonably believes Mortgagor has acquired knowledge of a release of Hazardous Materials in or on the Premises; or Mortgagee has reason to believe that the Premises does not or will not comply in all respects with any and all federal, state and local laws, rules, regulations and court orders or administrative orders, pertaining to the Premises and the environmental condition thereof.

(F) In the event of any release, spill, discharge or disposal of any Hazardous Materials on, into or from the Premises, whether or not the same originates or emanates from the Premises or any such contiguous real estate, and/or if Mortgagor shall fail to comply with the provisions of Section 1.09 of this Mortgage, Mortgagee may, at its election, but without the obligation so to do, but only after giving Mortgagor ten (10) days prior written notice thereof (or such other shorter notice period required by law), give such notices as may be required by law and/or cause any remedial work that may be necessary to be performed at the Premises and/or take any and all other actions as Mortgagee shall deem necessary or advisable acting in a commercially reasonable manner in order to remedy said spill, release, discharge or disposal of Hazardous Materials or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the Default Rate from the date of payment by Mortgagee, shall be immediately due and payable by Mortgagor to Mortgagee and until paid shall be added to and become a part of the indebtedness secured hereby and shall have the benefit of the lien hereby created as a part of this Mortgage.

(G) Mortgagor hereby agrees to indemnify and hold Mortgagee and its affiliates and their respective shareholders, officers, directors, employees and agents, and each of them, harmless from, against and with respect to all loss, cost, damage, claim, interest, accounting fees, environmental engineering fees, remediation costs, clean up costs, attorneys' fees and expense incurred by Mortgagee or its affiliates and their respective shareholders, officers, directors, employees and agents, and each of them, on account of:

- (vi) The violation of any representation or warranty set forth in this Section 1.09;
- (vii) Mortgagor's failure to perform any obligations or provisions of this Section 1.09;
- (viii) The failure of Mortgagor and/or the Premises to fully comply in all respects with all regulations, or court orders or administrative orders or with all occupational health and safety laws, rules and regulations, or
- (ix) Any other matter related to environmental conditions on or above the surface, under or affecting the Premises.

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Notwithstanding anything to the contrary in this Mortgage, this indemnification shall survive payment and satisfaction of the Obligations secured by this Mortgage and any release of this Mortgage, the exercise of any right or remedy hereunder or under any other document securing or evidencing said Obligations, any agreement or subsequent sale or transfer of the Premises, and all similar or related events or occurrences. Mortgagor shall give immediate oral and written notice to Mortgagee of its receipt of any notice of a violation of any law, rule or regulation or court order or administrative order covered by this Section 1.09 or of any notice or other claim relating to the environmental condition of the Premises, or of its discovery of any matter which would make the representations, warranties and/or covenants herein to be inaccurate or misleading in any respect.

ARTICLE II Covenants of Mortgagor

SECTION 2.01 General Covenants.

(A) **Payment of Obligations.** Mortgagor will punctually and timely pay the Obligations when due, and Mortgagor shall take all steps and actions necessary to fully satisfy and perform in a punctual manner the Obligations secured hereby, including any future advances or future obligations in accordance with the respective terms of each evidence of indebtedness or obligation, and Mortgagor shall perform and observe the provisions of this Mortgage and all of the agreements, covenants, representations and warranties of Mortgagor under this Mortgage and/or said Obligations. In the event any portion of the Obligations cannot be lawfully secured by this Mortgage on the Premises, it is agreed that the first payment made on said Obligations shall be applied to the satisfaction and discharge of the Obligations which are not so secured.

(B) **Compliance with Other Requirements.** Mortgagor will perform and observe the provisions of (i) this Mortgage and all of the agreements, covenants, representations and warranties of Mortgagor set forth in this Mortgage, and (ii) the mortgages and all of the agreements, covenants, representations and warranties of Mortgagor in connection with or recorded against the Premises or any part thereof.

(C) **Further Assurances.** Mortgagor will, at the request of Mortgagee:

(i) promptly correct any defect, error or omission which may be discovered in the execution, acknowledgement or recordation of this Mortgage;

(ii) promptly do, execute, acknowledge and deliver any and all such further acts, deeds, conveyances, mortgages, assignments, estoppel certificates, financing statements and continuations thereof, notices of assignment, transfers, certificates, assurances and other instruments as the Mortgagee may reasonably require from time to time in order to effectuate the purpose of this Mortgage, to subject to the lien and security interests hereby

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created any of Mortgagor's properties, rights or interests covered hereby, to perfect and maintain said lien and security interests, and to convey, grant, assign, transfer and confirm unto Mortgagee, the rights granted to Mortgagee hereunder or under any other instrument executed in connection with this Mortgage.

(D) **Filing and Recording.** Mortgagor will, at the request of Mortgagee, and Mortgagor hereby authorizes Mortgagee to, promptly record and rerecord, file and refile and register and reregister this Mortgage, any financing or continuation statements and every other instrument in addition to or supplemental to any thereof that shall be required by law in order to perfect and maintain the validity, effectiveness and priority of this Mortgage and the lien and security interests intended to be created hereby, or proceeds to such lien and security interests, in such manner and places and within such times as may be necessary to accomplish such purposes and to preserve and protect the rights and remedies of Mortgagee. Mortgagor will furnish to Mortgagee evidence satisfactory to Mortgagee and its counsel of every such recording, filing or registration.

(E) **Protection of Lien; Defense of Action.** If the lien, security interest, validity or priority of this Mortgage, or if title or any of the rights of Mortgagor or Mortgagee in or to the Premises, shall be endangered or questioned, or shall be attacked directly or indirectly, or if any action or proceeding shall be instituted against Mortgagor or Mortgagee with respect thereto, or if any defect shall be claimed to exist therein, Mortgagor will promptly notify Mortgagee and will diligently challenge or attempt to cure such claimed defects and will take all necessary and proper steps for the defense of such action or proceeding, including the employment of counsel, the prosecution or defense of litigation and, subject to the Mortgagee's approval at its discretion, the compromise, release or discharge of any and all adverse claims. Mortgagee (whether or not named a party to such actions or proceedings), is hereby authorized and empowered (but shall not be obligated) to take such additional steps as it may deem necessary or proper for protection of its interests in connection with the defense of any such action or proceeding or the protection of the lien, security interests, validity or priority of this Mortgage or of such title or rights, including the employment of counsel of Mortgagee's choice, the prosecution or defense of litigation, the compromise, release or discharge of such adverse claims, the purchase of any tax title and the removal of prior liens and security interests. Mortgagor shall, on demand, reimburse Mortgagee for all reasonable expenses (including reasonable attorneys' fees, costs and disbursements) incurred by Mortgagee in connection with the foregoing matters, and the party incurring such expenses shall be subrogated to all rights of the person receiving such payment.

(F) **Maintenance.** Mortgagor will:

(i) cause the Premises and every part thereof to be maintained, preserved and kept in safe and good repair, working order and condition;

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(ii) abstain from, and not permit, the commission of waste in or about the Premises,

(iii) comply with, and require Mortgagor's lessees and sublessees to comply with, all Applicable Laws with reference to the Premises and the manner of using or operating the same, and with all restrictive covenants, if any, affecting the title to the Premises, or any part thereof, and

(iv) from time to time make all necessary and proper repairs, renewals, replacements, additions and betterments thereto, so that the value and efficient use thereof shall be fully preserved and maintained and so that all Applicable Laws shall be complied with.

(G) **Real Estate Taxes, Other Governmental Charges, Liens and Utility Charges.** Mortgagor shall (before any penalty attached thereto), pay and discharge, or cause to be paid and discharged, all taxes, assessments, utility charges and other governmental charges imposed upon or against the Premises or upon or against said Obligations secured hereby, and will not suffer to exist any mechanic's, statutory or other lien on the Premises or any part thereof unless consented to in writing by Mortgagee. If Mortgagee is required by legislative enactment or judicial decision to pay any such tax, assessment or charge, then at the option of Mortgagee, said Obligations and any accrued interest thereon, together with any additions thereto, shall be and become due and payable at the election of Mortgagee upon notice of such election to Mortgagor; provided, however, said election shall be unavailing and this Mortgage and said Obligation shall be and remain in effect as though said law had not been enacted or said decision had not been rendered if, notwithstanding such law or decision, Mortgagor lawfully and punctually and timely pays such tax, assessments or charge to or for Mortgagee. Copies of paid tax and assessment receipts shall be furnished to Mortgagee not less than thirty (30) days prior to the delinquent dates.

At the request of Mortgagee, Mortgagor shall deposit with the Mortgagee, commencing on the date of disbursement of the proceeds of the loan secured hereby and on the first day of each month following the month in which said disbursement occurs (unless waived by Mortgagee in writing), a sum equal to the amount of all real estate taxes and assessments (general and special) next due upon or for the Premises (the amount of such taxes next due to be based upon the Mortgagee's reasonable estimate as to the amount of taxes and assessments to be levied and assessed) reduced by the amount, if any, then on deposit with the Mortgagee, divided by the number of months to elapse before two months prior to the date when such taxes and assessments will first become due and payable. Such deposits are to be held without any allowance or payment of interest to Mortgagor 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 or special) when the same become due and payable, the Mortgagor shall, within ten (10) days after receipt of demand therefor from the Mortgagee, deposit such additional funds as may be

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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 a subsequent deposit or deposits. Said deposits need not be kept separate and apart from any other funds of the Mortgagee.

Anything in this Section to the contrary notwithstanding, if the funds so deposited are insufficient to pay any such taxes or assessments (general or special) or any installment thereof, Mortgagee will, not later than the thirtieth (30th) day prior to the last day on which the same may be paid without penalty or interest, deposit with the Mortgagee the full amount of any such deficiency.

If any such taxes or assessments (general or special) shall be levied, charged, assessed or imposed upon or for the Premises, or any portion thereof and if such taxes or assessments shall also be a levy, charge, assessment or imposition upon or for any other premises not encumbered by the lien of this Mortgage, then the computation of any amount to be deposited under this Subsection (G) shall be based upon the entire amount of such taxes or assessments, and Mortgagee shall not have the right to apportion the amount of any such taxes or assessments for the purposes of such computation.

Nothing in this subsection (G) shall require the payment or discharge of any obligation imposed upon Mortgagee by this subsection (G) so long as Mortgagee, upon first notifying Mortgagee of its intent to do so, shall in good faith and at its own expense contest the same or the validity thereof by appropriate legal proceeding which permit the items contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless Mortgagee shall notify Mortgagee that Mortgagee believes that the non-payment of any such items, could or would endanger the Premises, or any part thereof, or that the Premises could or would by reason thereof become subject to loss or forfeiture in which event such taxes, assessments or charges will be paid promptly by Mortgagee.

(H) **Insurance.** Mortgagee shall procure and maintain continuously in effect with respect to the Premises policies of insurance against such risks and in such amounts as are required pursuant to **Exhibit B** attached hereto and incorporated herein by reference.

Mortgagee shall keep all buildings and improvements and the Collateral (defined in Paragraph 27 below) now or hereafter situated on said Premises insured against loss or damage by fire on a so-called "All Risks" basis, including, but not restricted to fire, windstorm and other hazards, casualties, and contingencies, vandalism and malicious mischief as are usually covered by extended coverage policies for the full repair and replacement value, without reduction for depreciation, with such companies, in such amounts, and for such periods as Mortgagee may require, and will promptly pay any premiums on such insurance when due. Mortgagee may, at its sole discretion, require Mortgagee to provide other, different or additional insurance coverage, including without limitation, business interruption, earthquake or flood insurance. Mortgagee

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shall also provide insurance coverages with such limits for personal injury and death and property damage as Mortgagee may require. All policies, certificates, or endorsements of insurance to be furnished hereunder shall be delivered to Mortgagee which will name Mortgagee as an insured party, and shall be in forms, companies and amounts satisfactory to Mortgagee, with waiver of subrogation and replacement cost endorsements and a standard non-contributory mortgagee clause attached to all policies, and will contain loss payable clause which will make all losses under such policies payable to Mortgagee, including a provision requiring that the coverages evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written Notice to the Mortgagee. Mortgagor shall deliver all original policies, including additional and renewal policies, to Mortgagee, and in the case of insurance about to expire, shall deliver renewal policies not less than thirty (30) days prior to their respective dates of expiration.

Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a standard non-contributory Mortgagee clause acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the original policy or policies of such insurance. In the event of a foreclosure of the lien of this Mortgage, or of a transfer of title to the Premises either in lieu of foreclosure or by purchase at the foreclosure sale, all interest in all insurance policies in force shall pass to Mortgagee, transferee or purchaser, as the case may be.

Within ninety (90) days following the end of each fiscal year of Mortgage, at the request of the Mortgagee, Mortgagor agrees to furnish evidence of replacement cost, without cost to the Mortgagee, such as are regularly and ordinarily made by insurance companies to determine the then replacement cost of the building(s) and other improvements on the Premises.

For the purpose of providing funds with which to pay premiums when due on all policies of fire and other hazard insurance covering the Premises and the Collateral (defined below) and unless waived by Mortgagee in writing, Mortgagor shall deposit with the Mortgagee, commencing on the date of disbursement of the proceeds of the loan secured hereby and on the first day of each month following the month in which said disbursement occurs (unless otherwise agreed to by Mortgagee), a sum equal to the Mortgagee's estimate of the premium that will next become due and payable on such policies reduced by the amount of any, then on deposit with the mortgagee, divided by the number of months to elapse before two (2) months prior to the date when such premiums become due and payable. No interest shall be allowed or paid to Mortgagor on account of any deposit made hereunder and said deposit need not be kept separate and apart from any other funds of the Mortgagee.

In the event of a default hereunder, the Mortgagee may, at its option but without being required so to do, apply any monies at the time of deposit pursuant to Subsections (G) and/or (H) hereof on any of Mortgagor's obligations contained herein, the Obligations or in the

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Note, in such order and manner as the Mortgagee may elect. When the Obligations have been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the Premises as the same appear on the records of the Mortgagee. A security interest, within the meaning of the Uniform Commercial Code of the State in which the Premises are located, is hereby granted to the Mortgagee in and to all monies at any time on deposit pursuant to Subsections (G) and/or (H) hereof and such monies and all of Mortgagor's right, title and interest therein are hereby assigned to Mortgagee, all as additional security for the Obligations hereunder and shall, in the absence of default hereunder, be applied by the Mortgagee for the purposes for which made hereunder and shall be subject to the direction or control of the Mortgagor; provided, however, that Mortgagee shall not be liable for any failure to apply to the payment of taxes or assessments or insurance premiums any amount so deposited unless Mortgagor, while not in default hereunder, shall have furnished Mortgagee with the bills therefor and requested Mortgagee in writing to make application of such funds to the payment of the particular taxes or assessments or insurance premiums for payment of which they were deposited, accompanied by the bills for such taxes or assessments or insurance premiums. Mortgagee shall not be liable for any act or omission taken in good faith, but only for its gross negligence or willful misconduct.

Regarding any covered loss, each insurance company is authorized and directed to make payment of such loss directly to Mortgagee, and Mortgagee is authorized: (a) to settle and adjust any claim under insurance policies which insure against such risks; or (b) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, Mortgagee is authorized to collect and receive any such insurance monies, except as otherwise expressly provided for herein. So long as (i) there is no existing default and no event or occurrence that, but for the giving of notice or the passage of time, would constitute a default, under this Mortgage, the Forbearance Agreement of even date herewith, any Lending Documents or any other instrument evidencing any of the Obligations secured hereby; and (ii) the Property may be repaired, rebuilt or restored to substantially the same condition with respect to the Property immediately prior to the occurrence of such damage or destruction, Mortgagee hereby agrees that the proceeds of such insurance may be used by Mortgagor (or any lessee) for the cost of the repair, rebuilding or restoration of the building(s) and other improvement(s) on the premises. In any event, the building(s) and other improvement(s) shall be so repaired, restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. If the insurance proceeds are made available for repair, rebuilding or restoration, such proceeds shall be disbursed upon the "Disbursing Party" (hereinafter defined) being furnished with satisfactory evidence of the cost of completion thereof and with architects' certificates, waivers of lien, contractors' and subcontractors' sworn statements, title continuations and other evidence of cost and payments so that the Disbursing Party can verify that the amounts disbursed from time to time are represented by completed and in-place work and that said work is free and clear of mechanics' lien claims. No payment made prior to the final completion of the work shall exceed ninety per cent (90%) of the value of the work performed from time to time, and at all times the undisbursed balance of such proceeds remaining in the hands of the Disbursing Party shall be at least sufficient to pay for the cost of

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completion of the work free and clear of liens. If the cost of rebuilding, repairing and other improvements may reasonably exceed the sum of Fifty Thousand Dollars (\$50,000.00), then the Mortgagee must approve plans and specifications of such work before such work shall be commenced. Any surplus which may remain out of said insurance proceeds, after payment of the cost of repair, rebuilding, restoration and the reasonable charges of the Disbursing Party, shall, at the option of the Mortgagee, be applied on account of the Obligations or paid to any party entitled thereto as the same appear on the records of the Mortgagee. If the insurance proceeds are not required to be made available to Mortgagor for the repair, rebuilding or restoration of the buildings or improvements on the premises, Mortgagee may apply such proceeds in reduction of the Obligations, whether or not due. No interest shall be allowed to Mortgagor on any proceeds of insurance held by the Disbursing Party. As used in this Subsection (H), the term "Disbursing Party" refers to the Mortgagee and/or to any title insurance company selected by the Mortgagee.

(I) **Advances.** If Mortgagor shall fail to comply with any of the terms, covenants and conditions herein with respect to the procuring of insurance, the payment of taxes, assessments and other charges, the keeping of the Premises in repair, or any other term, covenant or condition contained in this Mortgage, Mortgagee may, without being or becoming obligated to do so, make advances to perform the same and, where necessary, enter the Premises for the purpose of performing any such term, covenant or condition. Mortgagor agrees to repay all sums so advanced upon demand, with interest thereon at the lesser of (i) a floating rate of interest equal to a rate of four (4) percentage points in excess of the prime rate as defined below or (ii) the highest rate permitted by law (the lesser of (i) and (ii) immediately above is hereinafter referred to as the "Default Rate"). Said Default Rate, if calculated pursuant to (i) above, to change and be adjusted as the prime rate changes from time to time. The "prime rate" shall mean the prime or base rate of interest announced from time to time by a majority of the twelve (12) largest commercial banks operating in the United States as the r base rate for computing interest on loans to borrowers of the highest credit standing. All sums so advanced, with interest, shall be secured by this Mortgage, but no such advance shall be deemed to relieve Mortgagor from any default hereunder.

(J) **Use of Premises.** Mortgagor at its sole cost and expense shall comply, or shall cause any lessee or sublessee to comply, with:

(i) all restrictions affecting the Premises;

(ii) all federal, state and local laws, ordinances, acts, rules, regulations, including, without limitation, those pertaining to environmental clean-up responsibility, environmental control and environmental hazardous substances; and

(iii) all orders of any legislative, executive, administrative or judicial body, commission or officer (whether federal, state or local) exercising any power of regulation or supervision over

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Mortgagor, or any part of the Premises, whether the same be directed to the erection, repair, manner of use or structural alteration of buildings or otherwise.

SECTION 2.02 Zoning, Title Matters. Mortgagor will not, without Mortgagee's prior written consent, which consent may be withheld at the discretion of Mortgagee:

- (i) Initiate or support any zoning re-classification of the Premises or seek any variance under existing zoning ordinances applicable to the Premises;
- (ii) Modify, amend or supplement any encumbrance on the Premises;
- (iii) Impose any restrictive covenants or encumbrances upon the Premises, execute or file any subdivision plat affecting the Premises, or consent to the annexation of the Premises to any municipality, nor
- (iv) Permit or suffer the Premises to be used by the public or any person in such manner as might make possible a claim of adverse usage or possession or of any implied dedication or easement by prescription.

SECTION 2.03 Damage and Destruction.

In the event of any damage to, loss or destruction of the Premises, Mortgagor shall promptly notify Mortgagee of such event and take such steps as shall be necessary to preserve any undamaged portion of the Premises; and if such damage, destruction or loss is covered, in whole or in part, by insurance referred to in subsection 2.01(H), then Mortgagee may, but shall not be obligated to, make proof of loss if not made with reasonable promptness by Mortgagor. Mortgagor expressly assumes all risks of loss, including a decrease in the use, enjoyment or value of the Premises from any casualty whatsoever, whether or not insurable or insured against.

SECTION 2.04 Condemnation.

Mortgagor's Obligations; Proceedings. Mortgagor, immediately upon obtaining knowledge of any pending or threatened institution of any proceedings for the condemnation of all or any portion of the Premises or the exercise of any right of eminent domain over all or any portion of the Premises, will notify Mortgagee of the threat or pendency thereof. Mortgagee may participate in any such proceedings, and Mortgagor from time to time will execute and deliver to Mortgagee all instructions requested by Mortgagee to permit such participation. Mortgagor shall, at its expense, diligently prosecute any such proceedings, deliver to Mortgagee copies of all papers served in connection therewith and consult and cooperate with Mortgagee, its attorneys and agents, in the carrying on and defense of any such proceedings, provided that no settlement of any such proceeding shall be made by Mortgagor without Mortgagee's prior written consent.

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Application of Proceeds. All proceeds of condemnation of all or any portion of the Premises which may become payable to Mortgagor for public or quasi-public use, or by virtue of private sale in lieu thereof, and any sums which may be awarded or become payable to Mortgagor for damages caused by public works or construction on or near the Premises shall be applied promptly, to the prepayment of the Obligations. Mortgagee shall not be, in any event or circumstances, liable or responsible for failure to collect, or exercise diligence in the collection of, any sums.

Effect on the Obligations. Notwithstanding any condemnation, taking or other proceeding referred to in this subsection 2.04 causing injury to, or decrease in, value of the Premises (including an adverse change in grade of any streets), Mortgagor shall continue to pay the Obligations as provided herein until any such proceeds, judgment, decree or award shall have actually been received by Mortgagee and applied against the Obligations, and any reduction in the Obligations resulting from such application shall be deemed to take effect only on the date of such receipt, provided that, if prior to the receipt by Mortgagee of such proceeds, judgment, decree or award the Premises shall have been sold on foreclosure of this Mortgage or otherwise, Mortgagee shall have the right to receive the proceeds thereof to the extent of any deficiency found to be due upon such sale, whether or not a deficiency judgment on this Mortgage shall have been sought, recovered or denied, together with attorneys' fees and disbursements incurred by Mortgagee in connection with the collection thereof.

SECTION 2.05 No Consent. Nothing in this Mortgage shall be deemed or construed in any way as constituting the consent or request by Mortgagee, express or implied, to any contractor, subcontractor, laborer, mechanic or materialman for the performance of any labor or the furnishing of any material for any improvement, construction, alteration or repair of the Premises. Mortgagor further agrees that the Mortgagee does not stand in any relationship to Mortgagor as referred to in Section 1.08 of this Mortgage.

SECTION 2.06 Taxes and Other Charges.

Taxes. Mortgagor will promptly pay all stamp taxes which may be required to be paid in connection with the Obligations and/or this Mortgage together with any interest or penalties thereon, and Mortgagor will pay any and all taxes, charges, filing, registration, and recording fees, excises and levies (other than income, franchise and doing business taxes) imposed upon Mortgagee or the holders of the Obligations by reason of execution of this Mortgage or ownership of this Mortgage or any supplement hereto or any instrument of further assurance.

Future Taxation. In the event of the enactment after the date hereof of any law in the State of Illinois or any other governmental entity deducting from the value of the Premises for the purpose of taxation any lien or security interest thereof, or changing in any way the laws

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for the taxation or mortgages or deeds of trust, or the manner of collection of such taxes, so as to affect this Mortgage, the Obligations, Mortgagee or the holders of the Obligations, then, and in such event, Mortgagor shall, on demand, pay to Mortgagee or such holder, or reimburse Mortgagee or such holder for payment of, all taxes, assessments, charges or liens for which Mortgagee or such holder is or may be liable as a result thereof, provided that if any such payment or reimbursement shall be unlawful or would constitute usury or render the Obligations wholly or partially usurious under applicable law, then Mortgagee may, at its option, declare the Obligations immediately due and payable or require Mortgagor to pay or reimburse Mortgagee for payment of the lawful and non-usurious portion thereof.

ARTICLE III **Assignment of Rents and Other Sums**

SECTION 3.01 Assignment.

As additional security for the payment of the Obligations and for the faithful performance of the terms and conditions contained herein, Mortgagor hereby assigns to the Mortgagee all of its right, title and interest as landlord in and to the present leases and all future leases of the Premises pursuant to an Assignment of Rents and Leases dated of even date herewith, which is incorporated herein by reference as if fully set forth. All leases of the Premises are subject to the approval of the Mortgagee as to form, content and tenant(s) and any Leases(s) and all of Tenant's right, title, and interest in and to the Premises thereunder shall be and hereby are expressly made subject and subordinate to this Mortgage, or any Mortgage on the Premises, and to the lien thereof, and to any renewal, substitution, extension, modification, or replacement thereof, as though this Mortgage had been executed and recorded prior to the execution of any Lease.

Mortgagor will not without Mortgagee's prior written consent:

- (v) Execute any assignment or pledge of any rents or any leases of the Premises except an assignment or pledge securing the Obligations in favor of Mortgagee;
- (vi) Accept any payment of any installment of rent more than thirty (30) days before the due date thereof; or
- (vii) Make any lease of the Premises except for actual occupancy by the tenant thereunder.

Mortgagor shall not enter into or permit to be entered into any management contract, assignment or sublease of any lease, license or concession pertaining to the Premises without the

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prior written approval of Mortgagee having first been obtained and following such approval shall not amend or modify the same without further written approval of Mortgagee.

Mortgagor at its sole cost and expense will:

- (i) At all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in all leases of the Premises, on the part of the landlord thereunder to be kept and performed;
- (ii) Enforce or secure the performance of all the covenants, conditions and agreements of such leases on the part of the tenants to be kept and performed, but Mortgagor shall not modify, amend, cancel, terminate or accept surrender of any lease without prior written consent of Mortgagee;
- (iii) Appear in and defend any action or proceeding arising under, growing out of or in any manner connected with such leases or the obligations, duties or liabilities of the landlord or of any tenants thereunder;
- (iv) Transfer and assign or cause to be separately transferred and assigned to Mortgagee, upon written request of Mortgagee, any lease or leases of the Premises heretofore or hereafter entered into, and make, execute and deliver to Mortgagee upon demand, any and all instruments required to effectuate said assignment;
- (v) Furnish Mortgagee, within ten (10) days after a request by Mortgagee so to do, a written statement containing the names of all tenants and the terms of all leases of the Premises, including the spaces occupied and the rentals payable thereunder; and
- (vi) Exercise within five (5) days of any demand therefor by Mortgagee any right to request from the tenant under any lease of the Premises a certificate with respect to the status thereof.

Nothing in this Mortgage or in any other documents relating to the Obligations secured hereby shall be construed to obligate Mortgagee, expressly or by implication, to perform any of the covenants of the landlord under any of the leases assigned to Mortgagee or to pay any sum of money or damages therein provided to be paid by the landlord, each and all of which covenants and payments Mortgagor agrees to perform and pay or cause to be performed and paid.

At the option of the Mortgagee, this Mortgage 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 eminent domain), to any one or more leases affecting any part of the Premises, upon the

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execution by Mortgagee and recording or registration thereof, at any time hereafter, in the office wherein this Mortgage was registered or filed for record, of a unilateral declaration to that effect.

In the event of the enforcement by Mortgagee of any remedies provided for by law or by this Mortgage, the tenant under each lease of the Premises shall, at the option of the Mortgagee, attorn to any person succeeding to the interest of landlord as a result of such enforcement and shall recognize such successor in interest as landlord under such lease without change in the terms or other provisions thereof; provided, however, that said successor in interest, whether it be Mortgagee or any other successor in interest, shall not be bound by any payment of rent or additional rent pursuant to any lease, unless otherwise specifically provided for herein or in another written Agreement, or any amendment or modification to any lease made without the consent of Mortgagee or said successor in interest. Each tenant, upon request by said successor in interest, shall execute and deliver an instrument or instruments confirming such attornment.

Mortgagee shall have the option to declare this Mortgage in default because of a material default of landlord in any lease of the Premises, whether or not such default is cured by Mortgagee pursuant to the right granted herein. It is covenanted and agreed that a default under any Assignment of Rents or Leases executed pursuant to this Article III, or otherwise, shall constitute a default hereunder, on account of which the whole of the Obligations secured hereby shall at once, at the option of the Mortgagee, become immediately due and payable, without notice to the Mortgagor.

ARTICLE IV

Additional Advances; Expenses; Indemnity; Default Interest

SECTION 4.01 Additional Advances and Disbursements. Mortgagor agrees that if an Event of Default occurs, then Mortgagee shall have the right, but not the obligation, in Mortgagor's name or in Mortgagee's name, and without notice to Mortgagor, to advance all or any part of such amounts or to perform any or all such actions, and, for such purpose, Mortgagor expressly grants to Mortgagee, in addition and without prejudice to any other rights and remedies hereunder, the right to enter upon and take possession of the Premises to such extent and as often as Mortgagee may reasonable deem necessary or desirable to prevent or remedy any such default. No such advance or performance shall be deemed to have cured any Event of Default. All sums so advanced and all expenses incurred by Mortgagee in connection with such advances or actions, and all other sums advanced or expenses incurred by Mortgagee hereunder or under applicable law shall be part of the Obligations and shall be secured by this Mortgage. Mortgagee, upon making any such advance, shall be subrogated to all of the rights of the person receiving such advance.

SECTION 4.02 Other Expenses.

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Mortgagor will pay, or on demand of Mortgagee reimburse Mortgagee for the payment of, all appraisal fees, recording and filing fees, taxes, abstract fees, title insurance premiums and fees, Uniform Commercial Code search fees, escrow fees, attorneys' fees and disbursements and all other costs and expenses of every character reasonably incurred by Mortgagor or Mortgagee for the transactions contemplated hereunder, or otherwise attributable or chargeable to Mortgagor as owner of the Premises.

SECTION 4.03 Indemnity.

Mortgagor shall indemnify and hold harmless Mortgagee and its affiliates and their respective shareholders, officers, directors, employees and agents, and each of them, from and against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, interest, accounting fees, engineering fees, clean up costs, remediation costs and other costs and expenses (including reasonable attorneys' fees and disbursements) which may be imposed on, incurred, paid by or asserted against Mortgagee or its affiliates and their respective shareholders, officers, directors, employees and agents, and each of them, by reason or on account of, or in connection with:

- (vii) Any default or Event of Default by Mortgagor hereunder,
- (viii) Mortgagee's exercise of any of its rights and remedies, or the performance of any of its duties hereunder,
- (ix) The construction, reconstruction or alteration of the Premises,
- (x) Any negligence or willful misconduct of Mortgagor or any of its respective agents, contractors, subcontractors, servants, employees, licensees or invitees,
- (xi) Any accident, injury, death or damage to any person or property occurring in, on or about the Premises or any street, drive, sidewalk, curb or passageway adjacent thereto, or
- (xii) Any other transaction or claim arising out of this Mortgage or in any way connected with the Premises to the extent permitted by law, including but not limited to unrecorded interests in or conflicting claims (including those in Bankruptcy) to the Premises, defects in or the unenforceability of or failure to perfect and record this Mortgage.

Any amount payable to Mortgagee under this Section 4.03 shall be deemed a demand obligation and if not paid upon demand, it shall bear interest at the Default Rate.

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Mortgagor's obligations under this Section 4.03 shall not be affected by the absence or unavailability of insurance covering the same or by the failure or refusal by any insurance carrier to perform any obligation on its part under any such policy of covering insurance. If any claim, action or proceeding is made or brought against Mortgagee or any holder of the Obligations which is subject to the indemnity set forth in this Section 4.03, Mortgagor shall, upon notice thereof by Mortgagee, resist or defend against the same, if necessary in the name of Mortgagee or such holder, by attorneys for Mortgagor's insurance carrier (if the same is covered by insurance) or otherwise by attorneys approved by Mortgagee. Notwithstanding the foregoing, Mortgagee may engage their own attorneys to resist or defend, or assist therein, and Mortgagor shall pay, or, on demand, shall reimburse Mortgagee or such holder for the payment of, the reasonable fees and disbursements of said attorneys, which sums are secured by this Mortgage.

SECTION 4.04 Default Interest. All sums advanced and all expenses incurred by Mortgagee which are to be reimbursed by Mortgagor under this Mortgage shall bear interest at the Default Rate (as defined in Section 2.01(I) above) during the period from the date such sum was due until such sum is paid in full. Such interest shall be part of the Obligations and shall be secured by this Mortgage.

ARTICLE V **Obligations**

SECTION 5.01 Obligations. The Obligations which are secured by this Mortgage are as follows, to-wit:

(G) The Total Present Amount Outstanding and Due and Payable under the Floorplan Obligation as evidenced by certain Wholesale Security Agreements executed by Southeast Side Chevrolet Sales, L.P. ("SSCS"), an Illinois limited partnership, d/b/a William Chevrolet/Geo, Inc. and William Kia and Southwest Partners, Inc. ("SWP"), an Illinois corporation, d/b/a William Buick, Inc., William Kia and William Mazda, plus the amount owing under the Lending Documents (as defined herein) and all other amounts owed to Mortgagee under or in connection with the Lending Documents. For purposes of this subparagraph, the phrase "Lending Documents" shall mean and include all documents evidencing the Floorplan Obligation and certain Guaranties executed by all Obligor Parties (as defined herein) other than WCP (as defined herein) who have guaranteed payment of certain indebtedness owing to Mortgagee to the extent stated in said Guaranties; plus

(H) All obligations owing to Mortgagee under a certain Forbearance Agreement of even date herewith with Mortgagor, including all obligations in connection with any future amendments, extensions or renewals of said Forbearance Agreement; plus

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- (C) All obligations owing to Mortgagee by SSCS and/or SWP under any revolving lines of credit granted in favor of the Mortgagor and SWP, pursuant to Revolving Line of Credit Agreement(s); plus
- (D) All obligations, liabilities and indebtedness of Mortgagor and any other Obligor Parties arising out of, under, pursuant to, or in any way related to or connected with the Forbearance Agreement with Mortgagee; plus
- (E) All present and future, debts, liabilities, obligations, covenants, duties and indebtedness owed, directly or indirectly, to Mortgagee by the Mortgagor, SSCS, SWP, and SMUS Partners ("SMUS"), an Illinois partnership, and William J. Sullivan ("Sullivan"), an individual and resident of the State of Illinois, or any of them, in any combination or combinations (collectively referred to hereinafter as the "Obligor Parties"), including without limitation, all obligations of Obligor Parties arising out of or under any "Loan Documents" evidencing any loans, extensions of credit or other advances made by Mortgagee to or for the benefit or account of Mortgagor or any of the Obligor Parties, whether evidenced by any note, agreement or other instrument or document, and whether arising from an extension of credit, a letter of credit, loan, guaranty, indemnification or otherwise, and whether direct or indirect, absolute or contingent, whether now or hereafter arising, including, without limitation, debt arising from or in connection with wholesale floor plan financing for new or used motor vehicles (including but not limited to auction cars), wholesale charges, working capital loans, interest, charges, expenses, fees, reasonable attorneys' fees and any other sums owed to Mortgagee; plus
- (F) Interest on such principal amount or amounts owed to Mortgagee as provided in all of the Obligations; plus
- (G) All other indebtedness and obligations arising under said Obligations and/or this Mortgage, including advances to protect the security and costs of enforcement, as the same may be amended, modified or supplemented or the maturity thereof may be extended or renewed; plus
- (H) The payment of any sum or sums of money which may hereafter be payable by Mortgagor or any of the other Obligor Parties to Mortgagee under any note or agreement (including any notes or agreements that renew, extend or otherwise modify any obligation of Mortgagor or any of the other Obligor Parties to Mortgagee) hereafter executed by Mortgagor or any of the other Obligor Parties; plus
- (I) The payment of any sum or sums of money (other than those referred to in clause (G) hereof) which may hereafter be loaned or advanced by Mortgagee to Mortgagor or any of the other Obligor Parties in any combination or which Mortgagor or any of the other Obligor Parties may hereafter become obligated to pay in respect of obligations incurred or monies advanced or paid to or for the use of Mortgagor or any of the other Obligor Parties or in

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respect of instruments drawn, accepted, guaranteed, or endorsed by Mortgagor or any of the other Obligor Parties or on its behalf and discounted or paid or held by Mortgagee either at Mortgagor's or any of the other Obligor Parties request or in the course of business, together with interest thereon as provided, whether evidenced by note, check, receipt, book account, overdrafts, or any other liability as endorser or guarantor on any other indebtedness hereafter due to Mortgagee, in respect of instruments drawn, accepted, guaranteed or endorsed by Mortgagor or any of the other Obligor Parties if more than one, or on its behalf and discounted or paid or held by Mortgagee either at Mortgagor's or any of the other Obligor Parties' request or in the course of business, together with interest thereon as therein provided, whether evidenced by note, check, receipt, book account, overdrafts, or any other liability as endorser or guarantor on any other indebtedness hereafter due to Mortgagee, excluding any such sum which, if secured hereby, would cause the rate of interest being charged on such sum to be usurious under any federal or state law; plus

(J) The performance and observance of each and every term, covenant, condition, representation, warranty and agreement of said Obligations, this Mortgage and any other evidence of indebtedness secured hereby whether now existing or hereafter arising, and every other agreement now or hereafter given in connection with or as security for said Obligations; plus

(K) Any and all other indebtedness and obligations of any of the Obligor Parties in any combination to the Mortgagee arising under any and all other documents pertaining to said Obligations and/or this Mortgage.

All matters described in paragraphs (A) through (K), inclusive of this Section 5.01 are collectively referred to as the "Obligations". It is expressly understood that any advances made under paragraph (F) of this Section 5.01 shall be optional with Mortgagee and may be made and from time to time repaid, and again made or incurred.

It is expressly intended that this Mortgage shall secure any future advances and future obligations of the Obligor Parties or any of them to the fullest extent permitted by law. The total amount outstanding at any one time which is secured by this Mortgage, excluding any interest and any amounts advanced by the Mortgagee for or on behalf of Mortgagee for the protection of the security interest herein granted, shall not exceed Two Million Dollars (\$ 2,000,000.00). See also Section 9.03 below.

This Mortgage has been given to secure "revolving credit" loans under 205 ILCS 205/5d, as amended, and the term "revolving credit" is defined under 815 ILCS 205/4.1, as amended. Mortgagee shall be entitled to all of the rights and benefits afforded to lenders under said statutes with respect to this Mortgage. This Mortgage shall have all of the benefits under said statutes. The wholesale floorplan financing provided by Mortgagee under those certain Wholesale Security Agreements between the Mortgagor and Mortgagee and Southwest Partners, Inc. and Mortgagee and the revolving line of credit provided by Mortgagee to Mortgagor and

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Southwest Partners, Inc. (which are obligations secured by this Mortgage) constitute a "revolving credit" loan as defined above. Specifically, this Mortgage shall secure not only existing indebtedness, but also such future advances, whether such advances are to be made at the option of Mortgagee, or otherwise, as are made within twenty years from the date thereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advances made at the time of execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The lien created by this Mortgage, as to third persons without actual notice thereof, shall be valid as to all such indebtedness and future advances from the time this Mortgage is filed for record in the office of the Recorder of Deeds of the County in which the Property secured by this Mortgage is located. In the event Mortgagor shall at any time deliver to Mortgagee and Mortgagee actually receives from Mortgagor a notice electing to terminate the operation of this Mortgage as security for future advances or future obligations made or incurred after the date of such notice, then upon receipt of such notice, Mortgagee will not advance monies to or for the account of any of the Obligor Parties which are to be secured by this Mortgage, notwithstanding anything in this Mortgage to the contrary. Moreover, any request by any of the Obligor Parties for an advance under this Mortgage shall constitute a certification that no such notice of lien termination has been given by any of the Obligor Parties. Mortgagor's sending of any notice terminating this Mortgage as security for future advances and future obligations is an event of default under this Mortgage.

ARTICLE VI

Sale or Transfer of the Premises

SECTION 6.01 Continuous Ownership of Premises. Mortgagor acknowledges that the continuous ownership of the Premises by Mortgagor is of a material nature to the transaction. Mortgagor agrees that Mortgagor will not, on or after the date hereof, directly or indirectly, sell, grant, convey, assign or otherwise pledge, encumber or transfer (collectively, "Transfer"), or permit to be the subject of a Transfer, the Premises or any part thereof or any legal or beneficial interest therein (except by operation of law), except with Mortgagee's prior written consent. In the event that said prior written consent of Mortgagee is not obtained by Mortgagor and said Premises, or any part thereof, or interest therein, whether legal or equitable, is subject to a Transfer or is sold or conveyed, or Mortgagor has entered into an agreement to do so, or said Premises is encumbered further, Mortgagee, may at its option, accelerate and demand payment and satisfaction of said Obligations, and if payment be not made in accordance with said demand, treat the same as an Event of Default and direct the Mortgagee to sell the Premises as herein provided.

ARTICLE VII

Defaults and Remedies

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SECTION 7.01 Event of Default. Except as otherwise expressly provided herein, the term "Event of Default", as used in this Mortgage, shall mean the occurrence of any one or more of the following events:

- (A) The occurrence of any default or nonpayment of the Debt (as defined in the Forbearance Agreement) or any obligations under the Forbearance Agreement or any other amounts owed when due under any of the Loan Documents, Forbearance Agreement or under any indebtedness, agreement, obligation, contract or other instrument evidencing any or all of the Obligations; default or nonpayment of amounts owed when due shall be made in the payment of the principal of or interest on said Obligations or in the payment of any other sum to be paid by Mortgagor or any of the Obligor Parties (as defined in Section 5.01(B)) when and as the same shall become due and payable; or
- (B) The Premises shall be taken (except in an eminent domain proceeding or deed in lieu thereof), attached or sequestered on execution or other process of law in any action against Mortgagor and such taking, attachment or sequestration shall not be dismissed within ten (10) days of the commencement thereof and could adversely affect the rights and interest of Mortgagee under the Obligations of this Mortgage; or
- (C) Any event shall occur which would constitute an event of default under any other lien, encumbrance, or mortgage on the Premises or any part thereof; or
- (D) Default shall be made in the due observance or performance of any provision of this Mortgage or any covenant, agreement, representation or warranty to be observed or performed on the part of Mortgagor, pursuant to the terms hereof which default cannot be cured solely by the payment of money and such default shall continue unremedied for ten (10) days after the date of notice of the occurrence thereof from Mortgagee; or
- (E) Any assignment made by any of the Obligor Parties for the benefit of creditors;
- (F) Any appointment of a receiver, liquidator, or trustee, of any of the Obligor Parties;
- (G) The adjudication of any of the Obligor Parties to be a bankrupt or insolvent;
- (H) The filing by any of the Obligor Parties of any petition in bankruptcy, reorganization, or arrangement of any of the Obligor Parties pursuant to the Federal Bankruptcy Act or any similar statute;
- (I) The institution of, or proceeding for, the involuntary bankruptcy, insolvency, receivership or liquidation of any of the Obligor Parties; or
- (J) Mortgagor or any of the Obligor Parties shall fail to pay when due any other existing or future indebtedness owed to Mortgagee whether or not secured by this Mortgage or

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- (K) An event of default shall occur under any existing or future agreement between Mortgagor and Mortgagee or between any of the Obligor Parties and Mortgagee; or
- (L) Any Mortgagor giving notice to Mortgagee terminating this Mortgage as security for future advances or future obligations or the occurrence of any event which terminates this Mortgage as security for future advances or future obligations.

SECTION 7.02 Remedies. Upon the occurrence and during the continuance of any one or more Events of Default, Mortgagee may (but shall not be obligated to) take such action, personally or by its agents or attorneys, with or without entry, and without notice, demand, presentment or protest (each and all of which are hereby waived), as Mortgagee deems necessary or advisable to protect and enforce its rights and remedies against Mortgagor and/or in and to the Premises, including the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Mortgagee may determine without impairing or otherwise affecting Mortgagee's other rights or remedies, and without Mortgagee having to pursue Mortgagee's remedies pursuant to this Mortgage before pursuing any other remedies Mortgagee may have:

declare by written notice to Mortgagor the entire balance of the Obligations (including the entire principal balance thereof), all accrued and unpaid interest and any premium thereon and all other such sums secured hereby) to be immediately due and payable, and upon any such declaration the entire unpaid balance of the Obligations shall become and be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Mortgagor, anything herein to the contrary notwithstanding. If any present or future law of the State of Illinois authorizes the Mortgagee to exercise a power of sale, then the Mortgagee may exercise its power of sale in accordance with the applicable statute. Mortgagee shall have the right to purchase the Premises at any sale of the Premises, and to have the amount for which such Premises is sold credited on the debt then owing by Mortgagor. The right to purchase of Mortgagee applies to any part or parcel of the Premises. In the event any sale is made of the Premises, or any parcel or portion thereof, under the terms of this Mortgage, Mortgagor, its heirs, successors and assigns, as the case may be, shall forthwith upon the date of such sale surrender and deliver possession of the Premises so sold to the purchaser at such sale, and in the event of a failure by Mortgagor, its heirs, successors and assigns, as the case may be, to do so they shall thereupon from and after the date of such sale be and continue as tenants at will of such purchaser, and such purchaser shall be entitled to institute an action for forcible detainer of the Premises in a court or courts of competent party and subject matter jurisdictions in the state, county and city in which the Premises, or any part thereof, are situated. It is agreed that the lien created by this Mortgage shall take precedent over and be a prior lien to any other lien of any character whether vendor's, materialmen's or mechanic's lien hereafter created on the Premises, and in the event the proceeds of the Obligations secured hereby as set forth herein are used to pay off and satisfy any liens heretofore existing on the Premises, then Mortgagor is, and shall be subrogated to, all of the rights, liens and remedies of the holders of the indebtedness so paid; or

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to the extent permitted by law, institute a proceeding or proceedings, judicial or otherwise, for the foreclosure of this Mortgage under any applicable provision of law and, to the extent the Premises are located in a state where permitted, Mortgagee shall have the statutory power of sale in addition to all other rights and remedies hereunder; or

institute a proceeding or proceedings for the partial foreclosure of this Mortgage under any statute or law applicable to such proceeding(s) for the portion of the Obligations then due and payable, subject to the lien of this Mortgage continuing unimpaired and without loss of priority so as to secure the balance of the Obligations not then due and payable; or

to the extent permitted by any statute or law which is applicable, sell the Premises, and all estates, rights, titles, interests, claims and demands of Mortgagor therein, and all rights of redemption therein being waived by Mortgagor, at one or more public or private sales, as an entirety or in parcels, with such elements of real and/or personal property (and, to the extent permitted by applicable law, may elect to deem all of the Premises to be real property for purposes thereof), and at such time and place and upon such terms as it may be deemed expedient, or as may be required by applicable law, and in the event of a sale, by foreclosure or otherwise, of less than all of the Premises, this Mortgage shall continue as a lien and security interest on the remaining portion of the Premises; or

institute an action, suit or proceeding in equity for the specific performance of any of the provisions contained herein; or

sue and recover a judgment on the Obligations as the same become due and payable, or on account of any default or defaults by Mortgagor; or

apply for the appointment of a receiver, custodian, trustee, liquidator or conservator of the Premises, to be vested with the fullest powers permitted under applicable law, as a matter of right and without regard to or the necessity to disprove the adequacy of the security for the Obligations or the solvency of Mortgagor or any other person liable for the payment of the Obligations, and Mortgagor and each other person so liable waives or shall be deemed to have waived such necessity and consents or shall be deemed to have consented to such appointment; or

to the extent permitted by any statute or law which may be applicable, enter upon the Premises, and exclude Mortgagor and its agents and servants wholly therefrom, without liability for trespass, damages or otherwise, and take possession of all books, records and accounts relating thereto, and Mortgagor agrees to surrender possession of the Premises and of such books, records, and accounts to Mortgagee on demand after the happening and during the continuance of any Event of Default and Mortgagee having and holding the same, may use, operate, manage, preserve, control and otherwise deal therewith and conduct the business thereof either personally or by its superintendents, managers, agents, servants, attorneys or receivers, without interference from Mortgagor; and upon each such entry and from time to time thereafter

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may, at the expense of Mortgagor and the Premises, without interference by Mortgagor and as it may deem advisable,

- (xiii) either by purchase, repair or construction, maintain and restore the Premises;
- (xiv) insure or reinsure the same;
- (xv) make all necessary or proper repairs, renewals or replacements, as may be customary;
- (xvi) in every such case in connection with the foregoing, have the right to exercise all rights and powers of Mortgagor with respect to the Premises, either in Mortgagor's name or otherwise, including the right to make, cancel, enforce or modify leases and subleases, obtain and evict lessees and sublessees on such terms as it shall deem advisable; or

with or without the entrance upon or taking possession of the Premises, collect and receive all earnings, revenues, rents, issues, profits, income and cash collateral derived from the Premises, or use or occupation thereof, and after deducting therefrom all costs and expenses of every character incurred by Mortgagee in collecting the same and in using, operating, managing, preserving and controlling the Premises, and otherwise in exercising Mortgagee's right under subsection (H) of this Section, including all amounts necessary to pay taxes to which reference is made in Section 2.06 above, insurance premiums and other charges in connection with the Premises, as well as reasonable compensation for the services of Mortgagee and its attorneys, agents and employees, apply the remainder as provided in Section 7.05 below; or

release any portion of the Premises for such consideration as Mortgagee may reasonably require without, as to the remainder of the Premises, in any way impairing or affecting the lien or priority of this Mortgage, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the Obligations shall have been reduced by the actual monetary consideration, if any, received by Mortgagee for such release, and may accept by assignment, pledge or otherwise, any other property in place thereof as Mortgagee may require without being accountable for so doing to any other lienor of the Premises; or

take all actions permitted under the Uniform Commercial Code of the State of Illinois or the statutes of the State of Illinois; or

take any other action, or pursue any other right or remedy, as Mortgagee may have under any statute or law which is applicable, and Mortgagor does hereby grant the same to Mortgagee.

In the event that Mortgagee shall exercise any of the rights or remedies set forth in subsections (H) and (I) of this Section, Mortgagee shall not be deemed to have entered upon or

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taken possession of the Premises except upon the exercise of its option to do so, evidenced by its written demand and overt act for such purposes, nor shall Mortgagee be deemed in possession by reason of such entry or taking possession. Mortgagee shall not be liable to account for any action taken pursuant to any such exercise other than for rents actually received nor liable for any loss sustained by Mortgagor resulting from any failure to let the Premises, or from any other act or omission of Mortgagee except to the extent such loss is caused by the willful misconduct or gross negligence of such party. Mortgagor hereby consents to, ratifies and confirms the exercise by Mortgagee of said rights and remedies and appoints Mortgagee as its attorney-in-fact, which appointment shall be deemed to be coupled with an interest and is irrevocable for such purposes.

SECTION 7.03 Expenses. In any proceeding, judicial or otherwise, to foreclose this Mortgage or enforce any other remedy of Mortgagee, there shall be allowed and included as an addition to and part of the Obligations in the decree for sale or other judgment or decree all reasonable expenditures and expenses which may be paid or incurred in connection with the exercise by Mortgagee of any of its rights and remedies provided or referred to in Section 7.02, and the same shall be secured by this Mortgage.

SECTION 7.04 Rights Pertaining to Sales. The following provisions shall, to the extent permitted by any statute or law which is applicable, and in addition to the remedies given Mortgagee hereunder, apply to any sale or sales of all or any portion of the Premises under or by virtue of this Article VII, whether under the power of sale herein granted or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale:

Mortgagee may conduct any number of sales from time to time. The power of sale set forth in subsection 7.02(D) above shall not be exhausted by any one or more such sales as to any part of the Premises which shall not have been sold, nor by any sale which is not completed or is defective in Mortgagee's opinion, until the Obligations shall have been paid in full.

Any sale may be postponed or adjourned by public announcement at the time and place appointed for such sale or for such postponed or adjourned sale without further public notice.

The receipt of Mortgagee for the purchase price paid at any such sale, or the receipt of any other person authorized to give same, shall be sufficient discharge therefor to any purchaser of any property or rights sold as aforesaid, and no such purchaser, or its representatives, grantees or assigns after paying such purchase price and receiving such receipt, shall be bound to see the application of such purchase price or any part thereof upon or for any trust or purpose of this Mortgage or, in any manner whatsoever, be answerable for any loss, misapplication or nonapplication of any such purchase money, or part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

Upon any such sale, it shall not be necessary for Mortgagee or any public officer acting under execution or other of court, to have present or constructively in its possession any or all of the Premises.

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In the event of any sale referred to in this Section 7.04, all of the Obligations, if not previously due and payable, immediately thereupon shall become due and payable.

SECTION 7.05 Application of Proceeds. The purchase price, proceeds or avails of any sale referred to in Section 7.04, together with any other sums which may be held by Mortgagee hereunder, whether under the provisions of this Article VII or otherwise, shall, except as herein expressly provided to the contrary, be applied as follows: **FIRST:** To the payment of the costs and expenses of any such sale, and of any judicial proceeding wherein the same may be made, reasonable compensation for the services of Mortgagee and its attorneys, agents and employees and of all expenses, liabilities and advances made or incurred by Mortgagee hereunder, together with interest thereon as provided herein, and all taxes, assessments and other charges, except any taxes, assessments or other charges subject to which the Premises shall have been sold. **SECOND:** To the payment in full of the Obligations, of the principal, interest and other sums owed in such order as Mortgagee may elect. **THIRD:** To the extent permitted by statute or law which is applicable, an amount to be set aside by Mortgagee as adequate security in its judgment for the payment of sums which would have been paid by application under clauses First and Second of this Section 7.05 above to Mortgagee, arising out of an obligation or liability with respect to which Mortgagee is obligated to indemnify Mortgagee, but which sums are not yet due and payable or liquidated. **FOURTH:** To the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same.

SECTION 7.06 Additional Provisions as to Remedies.

No right or remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and continuing, shall be in addition to every other right or remedy given, under any document or instrument evidencing any part of the Obligations or hereunder or now or hereafter existing at law or in equity, and may be exercised from time to time and as often as may be deemed expedient by Mortgagee.

No delay or omission by Mortgagee to exercise any right or remedy hereunder upon an Event of Default or other occurrence shall impair such exercise, or be construed to be a waiver of any such Event of Default or other occurrence or an acquiescence therein.

The failure, refusal or waiver by Mortgagee of its right to assert any right or remedy hereunder upon any Event of Default or other occurrence shall not be construed as waiving such right or remedy upon any other or subsequent Event of Default or other occurrence.

Mortgagee shall not have any obligation to pursue any rights or remedies it may have under any other agreement prior to pursuing its rights or remedies under any document or instrument evidencing any part of the Obligations hereunder.

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No recovery of any judgment by Mortgagee and no levy of an execution upon the Premises or any other property of Mortgagor shall affect, in any manner or to any extent, the lien and security interest of this Mortgage upon the Premises, or any liens, rights, powers of remedies of Mortgagee hereunder, and such liens, rights, power and remedies shall continue unimpaired as though such recovery or levy had not occurred.

Mortgagee may resort to any security given by this Mortgage or hereafter existing to secure the Obligations, in whole or in part, in such portions and in such order as it may, in its discretion, elect, and no such election shall be construed as a waiver of any of the liens, rights or benefits granted hereunder.

Nothing herein shall be deemed a waiver or a cure of any Event of Default, and acceptance of any payment less than any amount then due shall be deemed an acceptance on account only.

In the event Mortgagee shall have proceeded to enforce any right or remedy hereunder by foreclosure, sale, entry or otherwise, and such proceeding shall be discontinued, abandoned or determined adversely for any reason, the Mortgagor and Mortgagee shall be restored to their former positions and rights hereunder with respect to the Premises, subject to the lien hereof.

SECTION 7.07 Waiver of Rights and Defenses. To the full extent Mortgagor may do so, Mortgagor and Mortgagee agree as follows:

Mortgagor will not at any time insist on, plead, claim or take the benefit or advantage of any statute or rule of law now or hereafter in force providing for any appraisal, valuation, stay, extension, or moratorium, or of any statute of limitations, and Mortgagor, for itself and its successors and assigns, and for any and all person claiming an interest in the Premises, hereby waives and releases all rights of valuation, appraisal, notices of intention to mature or declare due the whole of the Obligations, and all rights to a marshaling of the assets of Mortgagor, including the Premises, or to a sale in inverse order of alienation, in the event of foreclosure of the liens and security interest created hereunder.

Mortgagor shall not have or assert any right under any statute or rule of law pertaining to any of the matters set forth in subsection (A) of this Section, to the administration of estates of decedents or to any other matters whatsoever to defeat, reduce or affect any of the rights or remedies of Mortgagee hereunder, including sale of the Premises for the collection of the Obligations and the payment of the Obligations out of the proceeds of sale of the Premises in preference to any other person (other than the holder of a lien).

If any statute or rule of law referred to in this Section 7.07 and now in force, of which Mortgagor or any of its successors or assigns and such other persons claiming any interest in the Premises might take advantage despite this Section 7.07, shall hereafter be repealed or

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cease to be in force, such statute or rule of law shall not thereafter be deemed to preclude the application of this Section 7.07.

Mortgagor shall not be relieved of its obligation to pay the Obligations at the time and in the manner provided in said Obligations, nor shall the lien, security interest of priority of this Mortgage be impaired by any of the following actions, nonactions or indulgences by Mortgagee: any failure or refusal by Mortgagee to comply with any request by Mortgagor (1) to consent to any action required to be taken by Mortgagor under this Mortgage or necessary in Mortgagor's reasonable judgment pursuant to this Mortgage, or (2) to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof; any release, regardless of consideration, of the whole or any part to the Premises or of any other security for the Obligations, or of any person liable for payment of the Obligations; any waiver by Mortgagee of compliance by Mortgagor with this Mortgage or the Obligations or any provision of any document or instrument evidencing any part of the Obligations, or consent by Mortgagee to the performance by Mortgagor of any action which would otherwise be prohibited hereunder or thereunder, or to the failure by Mortgagor to take any action which would otherwise be required hereunder or thereunder; and any agreement or stipulation between the Mortgagee and Mortgagor, or, with or without Mortgagor's consent, between Mortgagee and any subsequent owner or owners of the Premises, or any other security, for the Obligations, renewing, extending or modifying the time of payment or the terms of said Obligations or this Mortgage (including a modification of any interest rate), and in any such event Mortgagor shall continue to be obligated to pay the Obligations at the time and in the manner provided, in this Mortgage and/or said Obligations as so renewed, extended or modified, unless expressly released and discharged by Mortgagee.

ARTICLE VIII Defeasance

SECTION 8.01 Defeasance. If and when the Obligations shall have been satisfied, performed and fully paid in their entirety, then and in that event only, all rights hereunder shall terminate and the Premises shall become wholly released and cleared of the liens, security interest, conveyances and assignments evidenced hereby, upon receipt by Mortgagee of evidence satisfactory to it that the Obligations have been satisfied, performed and paid in full, at Mortgagor's sole cost and expense.

SECTION 8.02 Documentation. If and when the Obligations shall be satisfied, performed and paid in full as set forth in Section 8.01. Mortgagee shall, at the request and expense of Mortgagor, promptly execute and deliver to Mortgagor Mortgage satisfaction documents or assignments, UCC termination statements or assignments and/or such other documents as the Mortgagor may reasonably request to evidence the partial or complete termination of Mortgagee's hereunder and the partial or complete termination of Mortgagor's duties hereunder.

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ARTICLE IX Additional Provisions

SECTION 9.01 Provisions as to Payments, Advances.

All payments of the Obligations shall be made in such lawful money of the United States of America as shall be legal tender for payment of all debts, public and private, at the time of payment, shall be made in the manner expressly designated therefor or, if no such designation is made, at the address of the Mortgagee indicated in Section 9.05, or at such other place as Mortgagee may designate to Mortgagor from time to time.

If any of the Obligations cannot lawfully be secured by this Mortgage, or if any part of the Premises cannot lawfully be subject to the lien and security interest hereof, to the full extent of said Obligations, then all payments made thereon shall be applied first in discharge of that portion thereof which is not secured by this Mortgage.

To the extent that any of the Obligations are used to pay indebtedness secured by any other lien, security interest or charge against the Premises outstanding and of record as of the date hereof, or to pay in whole or in part the purchase price therefor, Mortgagee shall be subrogated to any and all right, security interests and liens held by any owner or holder of the same, whether or not the same are released. In consideration of such payment by Mortgagee, Mortgagor hereby waives and releases all demands, defenses and causes of action for offsets and payments with respect to the same.

Any payment made under this Mortgage by any person at any time liable for the payment of the Obligations or by any subsequent owner of the Premises, or by any other person whose interest in the Premises might be prejudiced in the event of failure to make such payment, or by any partner, joint venturer, stockholder, officer or director thereof, or attorney-in-fact, shall be deemed, as between Mortgagee and all such other persons, to have been made on behalf of all such persons.

SECTION 9.02 Usury Savings Clause. All agreements herein are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement or acceleration of maturity of the Obligations, or otherwise, shall the amount agreed to be paid hereunder for indebtedness or the use, forbearance or deletion of money exceed the highest lawful rate permitted under applicable usury laws. If, from any circumstance whatsoever, fulfillment of any provision hereof, at the time performance of such provision shall be due, shall involve transcending that limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, the obligation to be fulfilled shall automatically be reduced to the limit of such validity and if, from any circumstance whatsoever, Mortgagee shall ever receive as interest an amount which would exceed the highest lawful rate, the receipt of such excess shall be deemed a mistake and shall be canceled automatically or, if theretofore paid, such excess shall be credited against the principal amount of the Obligations to which the same

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may lawfully be credited, and any portion of such excess not capable of being so credited shall be rebated to Mortgagor.

SECTION 9.03 Future Advance Termination. In the event Mortgagor shall at any time deliver to Mortgagee and Mortgagee actually receives from Mortgagor a notice electing to terminate the operation of this Mortgage as security for future advances or future obligations made or incurred after the date of such notice, then upon receipt of such notice, Mortgagee will not advance monies to or for the account of any of the Obligor Parties which are to be secured by this Mortgage, notwithstanding anything in this Mortgage to the contrary. Moreover, any request by any of the Obligor Parties for an advance under this Mortgage shall constitute a certification that no such notice of lien termination has been given by any of the Obligor Parties. Mortgagor's sending of any notice terminating this Mortgage as security for future advances and obligations is an Event of Default hereunder.

SECTION 9.04 Severability. If all or any provision of this Mortgage shall be held to be invalid, illegal or unenforceable in any respect, then, it shall immediately be deemed to have been severed therefrom and such invalidity, illegality or unenforceability shall not affect any other provision thereof, and such provision shall be limited and construed in such jurisdiction as if such invalid, illegal or unenforceable provision were not contained therein.

SECTION 9.05 Notices. Any and all notices required and/or desired to be sent to any of the parties hereto pursuant to the terms of this Mortgage shall be in writing and personally delivered or sent by United States registered or certified mail, return receipt requested, postage fully prepaid, and addressed to the parties at their addresses stated above. In the event of a strike or delay in the United States postal system, all notices shall be personally delivered by hand to all parties hereto. The addresses and parties to receive notice may be changed from time to time by notice pursuant to this Section but any such change shall not be effective until seventy-two (72) hours after the notice of such change has been received by all of the other parties named herein, namely, Mortgagor and Mortgagee as the case may be. Any and all notices given pursuant to this Section shall be deemed delivered, if mailed, when deposited in the United States Mail in the manner required above, or if personally delivered by hand to the party to whom the notice is addressed, when personally delivered by hand. Notice given by an attorney for a party hereto shall be deemed to have been given by such party.

SECTION 9.06 Right to Deal. In the event that ownership of the Premises becomes vested in a person other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage or the Obligations in the same manner as with Mortgagor, without in any way vitiating or discharging Mortgagor's liability hereunder or Mortgagor's liability for the payment of the Obligations or being deemed a consent to such vesting.

SECTION 9.07 Applicable Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois where the Premises are located, without regard to the laws of conflict.

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SECTION 9.08 Appointment of Mortgagee. Mortgagor hereby appoints Mortgagee its attorney-in-fact, which appointment is irrevocable and shall be deemed to be coupled with an interest to execute, acknowledge, deliver, file or record for and in the name of Mortgagor any of the documents or instruments referred to in subsection 2.01(C) and subsection 2.01(D).

SECTION 9.09 Sole Discretion of Mortgagee. Whenever Mortgagee's judgment, consent or approval is required hereunder for any matter of Mortgagee has an option or election hereunder ("Decision Power"), such Decision Power shall be exercised at the discretion or in the sole discretion of Mortgagee, unless otherwise stated herein to be reasonably given or exercised.

SECTION 9.10 Provisions as to Covenants and Agreements. All of Mortgagor's covenants and agreements hereunder shall run with the land.

SECTION 9.11 Matters to be in Writing. This Mortgage cannot be altered, amended, modified, terminated or discharged except in a writing signed by the party against whom enforcement of such alteration, amendment, modification, termination or discharge is sought. No waiver, release or other forbearance by Mortgagee will be effective against Mortgagee unless it is in a writing signed by Mortgagee, and then only to the extent expressly stated herein.

SECTION 9.12 Construction of Provisions. The following rules of construction shall be applicable for all purposes of this Mortgage and all documents or instrument supplemental hereto, unless the context otherwise requires:

All references herein to numbered Articles or Sections or to lettered Exhibits are references to the Articles and Sections hereof and the Exhibits annexed to this Mortgage, unless expressly otherwise designated in context.

The terms "include", "including" and similar terms shall be construed as if followed by the phrase "without being limited to".

The term "Premises" shall be construed as if followed by the phrase "or any part thereof".

The term "Obligations" shall be construed as if followed by the phrase "or any part thereof".

Words of masculine, feminine or neuter gender shall mean and include the correlative words of the other genders, and words importing the singular number shall mean and include the plural number, and vice versa.

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The term "Person" shall mean any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, entity or government (whether federal, state, county, city, municipal or otherwise, including without limitation, an instrumentality, division, agency, body or department thereof).

The term "provisions", when used with respect hereto or to any other document or instrument, shall be construed as if preceded by the phrase "terms, covenants, agreements, requirements, conditions, and/or".

All Article, Section and Exhibit captions herein are used for convenience and reference only and in no way define, limit or describe the scope or intent of, or in any way affect, this Mortgage.

No inference in favor of, or against, any party shall be drawn from the fact that such party has drafted any portion hereof.

The cover page of and all recitals set forth in, and all Exhibits to, this Mortgage are hereby incorporated by reference in this Mortgage.

All covenants, promises, agreements, duties and obligations of Mortgagor pursuant to this Mortgage shall be performed and satisfied by or on behalf of Mortgagor at Mortgagor's sole cost and expense.

Any and all consents required or desired to be given by Mortgagee shall be at the discretion of Mortgagee, and Mortgagee shall have no obligation or liability whatsoever to the Mortgagor in the event that the Mortgagee shall withhold any such consent; and the withholding of any such consent shall under no circumstances affect or alter the Obligations nor release Mortgagor from the Obligations.

The phrase "to the extent permitted by law" shall be construed as if followed by the phrase "provided, however, that to the extent any applicable provision of law may be waived by Mortgagor, it is hereby deemed to be waived".

SECTION 9.13 Successors and Assigns. The provisions hereof shall be binding upon Mortgagor and the substitutes, successors and assigns of Mortgagor, including successors in interest of Mortgagor in and to all or any part of the Premises, and shall inure to the benefit of the Mortgagee and the holders of the Obligations and their respective heirs, successors, legal representatives and assigns. All references in this Mortgage to Mortgagor, or Mortgagee shall be construed as including all of such other persons with respect to the person referred to.

SECTION 9.14 Attornment of Lessees. To the extent not provided by statute or law applicable thereto, each lease of the Land or Improvements or any part thereof having a term of more than one year, shall provide that, in the event of the enforcement by Mortgagee, or

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Mortgagee of the remedies provided for by law or by this Mortgage, the lessee under such lease will, upon request of any person succeeding to the interest of Mortgagor as the result of said enforcement, automatically become the lessee of such successor in interest, without any changing in the terms or other provisions of the respective lease; provided, however, that said successor in interest, shall not be bound by any payment of rent or additional rent for more than one month in advance, except prepayments in the nature of security for the performance by said lessee of its obligations under said lease. Each such lease shall also provide that upon request by said successor in interest, the lessee shall execute and deliver an instrument or instruments confirming its attornment.

SECTION 9.15 Waiver of Statutory Rights, Including Redemption, Reinstatement and Homestead. Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of the lien of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Premises marshalled upon foreclosure of the lien hereof and agrees that any having jurisdiction to foreclose such lien may order the Premises sold as an entity.

IN THE EVENT OF THE COMMENCEMENT OF A JUDICIAL PROCEEDING TO FORECLOSE THIS MORTGAGE, MORTGAGOR DOES HEREBY EXPRESSLY WAIVE ANY AND ALL RIGHTS OF REDEMPTION AND REINSTATEMENT FROM SALE UNDER ANY ORDER OR DECREE OF FORECLOSURE OF THIS MORTGAGE ON BEHALF OF MORTGAGOR, AND EACH AND EVERY PERSON IT MAY LEGALLY BIND ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY AFTER THE DATE OF THE EXECUTION OF THIS MORTGAGE AND ON BEHALF OF ALL OTHER PERSONS TO THE EXTENT PERMITTED BY THE APPLICABLE PROVISIONS OF THE STATUTES AND LAWS OF THE STATE OF ILLINOIS, AND FOR ALL THAT IT MAY LEGALLY BIND WHO ACQUIRE ANY INTEREST IN OR TITLE TO THE MORTGAGED PREMISES SUBSEQUENT TO THE DATE HEREOF, AGREES THAT WHEN SALE IS HAD UNDER ANY DEGREE OF FORECLOSURE OF THIS MORTGAGE, UPON CONFIRMATION OF SUCH SALE, THE SHERIFF OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED, OR OTHER OFFICER MAKING SUCH SALE, OR HIS SUCCESSOR IN OFFICE, SHALL BE AND IS AUTHORIZED IMMEDIATELY TO EXECUTE AND DELIVER TO THE PURCHASER AT SUCH SALE, A DEED CONVEYING THE PROPERTY, SHOWING THE AMOUNT PAID THEREFOR, OR IF PURCHASED BY THE PERSON IN WHOSE FAVOR THE ORDER OR DECREE IS ENTERED, THE AMOUNT OF HIS BID THEREFOR.

THE MORTGAGOR FURTHER HEREBY WAIVES AND RELEASES ALL RIGHTS UNDER AND BY VIRTUE OF THE HOMESTEAD EXEMPTION LAWS OF THE STATE OF ILLINOIS AND ALL RIGHT TO RETAIN POSSESSION OF SAID

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MORTGAGED PROPERTY AFTER ANY DEFAULT IN OR BREACH OF ANY OF THE COVENANTS, AGREEMENTS OR PROVISIONS HEREIN CONTAINED.

SECTION 9.16 Business Purpose. Mortgagor hereby represents that the Obligations secured by this Mortgage have been and will be used for the purposes specified in Paragraph 6404 of Chapter 17 of the 1981 Illinois Revised Statutes and constitute "business loans" which comes within the purview and operation of said paragraph.

SECTION 9.17 Exculpatory Clause. In the event that Mortgagor executing this Mortgage is an Illinois land trust, this Mortgage is executed by such Mortgagor, not personally but as Trustee aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee and the Mortgagor hereby warrants that it possesses full power and authority to execute this instrument and it is expressly understood and agreed that nothing contained herein shall be construed as creating any liability on the corporate trustee as Mortgagor personally to pay any Obligations secured by this Mortgage, or to perform any covenant, either express or implied herein contained, all such liability, if any, being expressly waived by Mortgagee as against the land trustee, but not against any other Obligor with respect to any Obligations secured hereby and that so far as Mortgagor trustee is personally concerned, Mortgagee or the holders of any Obligations secured by this Mortgage shall look solely to the Premises and Collateral hereby mortgaged, conveyed and assigned and to any other security given at any time to secure payment thereof.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage, Assignment, Security Agreement and Financing Statement to be executed as of the day and year first written above.

MORTGAGOR:

LaSalle Bank National Association, not personally
But as Trustee under that certain Trust Agreement
Dated January 13, 2000 and known as Trust No. 122962

By: 

Title: _____

Trust Officer

Attest: _____

**Attestation not required by
LaSalle Bank National Association
Bylaws**

Southeast Partners,
an Illinois general partnership

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By: [Signature]
William J. Sullivan, General Partner

State of Illinois)
)SS
County of Cook)

I, the undersigned, a Notary Public in and for and residing in the said County, in the State aforesaid, do hereby certify that ~~and~~ personally known to me to be the ~~Assistant Trust Officer and Assistant Secretary~~ of LaSalle Bank National Association, respectively, and the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as the free and voluntary act of said Association for the uses and purposes and in the capacity therein set forth.

Given under my hand and Notarial Seal this 16th day of August, 2002.

[Signature]
Notary Public

My Commission Expires: 10-17-04



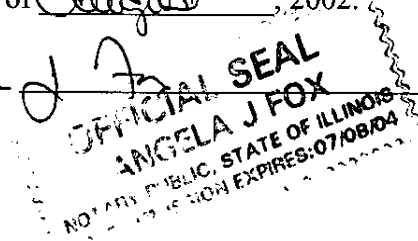
State of Illinois)
) SS.
County of Cook)

I, [Signature], a Notary Public in and for and residing in the said County, in the State aforesaid, do hereby certify that William J. Sullivan, personally known to me to be the general partner of Southeast Partners, an Illinois general partnership and the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his own free and voluntary act, and the free and voluntary act of said partnership for the uses and purposes and in capacity (if any) therein set forth.

Given under my hand and Notarial Seal this 7th day of August, 2002.

[Signature]
Notary Public

My Commission Expires:



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EXHIBIT A

Parcel 1:

Lots 8 and 9 and 17 through 23, both inclusive, in Block 32 in the Circuit County Partition of the Southeast Quarter of Section 31, Township 38 North, Range 15, East of the Third Principal Meridian, (except lands belonging to the South Chicago Railroad Company).

Parcel 2:

Lots 10 through 16 both inclusive, in Block 32 and Lots 26 through 30, both inclusive, and 34 through 38, both inclusive, in Block 33, all in Circuit Court Partition of the Southeast $\frac{1}{4}$ of Section 31, Township 38 North, Range 15, East of the Third Principal Meridian, (except lands belonging to the South Chicago Railroad Company) in Cook County, Illinois.

Parcel 3:

Lots 31, 32 and 33 in Block 33 in Circuit Court Partition of the Southeast $\frac{1}{4}$ of Section 31, Township 38 North, Range 15, East of the Third Principal Meridian, according to the Plat thereof recorded March 4, 1885 in Book 19 of Plats, Page 70, in Cook County, Illinois.

Parcel 4:

Lots 39 through 43, both inclusive, in Block 33 in Circuit Court Partition of the Southeast $\frac{1}{4}$ of Section 31, Township 38 North, Range 15, East of the Third Principal Meridian, according to the Plat thereof recorded March 4, 1885 in Book 19 of Plats, Page 70, in Cook County, Illinois.

PROPERTY ADDRESS AND PERMANENT TAX INDEX NUMBERS:

- Parcel 1: 8618 (22), 8640-8656 South Commercial, Chicago, Illinois
21-31-425-018-0000, -024-0000 through and including -030-0000
- Parcel 2: 8628 and 8634 South Commercial, Chicago, Illinois
21-31-425-019-0000 and 21-31-425-031-0000
8645-8655 South Commercial, Chicago, Illinois
21-31-426-010-0000 through and including -014-0000
8623-33 South Commercial, Chicago, Illinois
21-31-426-005-0000 through and including -008-0000
- Parcel 3: 8641 South Commercial, Chicago, Illinois
21-31-426-009-0000
- Parcel 4: 8609 South Commercial, Chicago, Illinois
21-31-426-004-0000

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EXHIBIT B

MINIMUM INSURANCE REQUIREMENTS (Dealership Real Estate Loans)

The following coverages are minimum requirements for this real estate loan. This material is intended to assist you in meeting your obligation to maintain insurance coverage necessary to protect the interest of GMAC and to assist you in the development of an insurance program for your business.

If you have difficulty meeting these requirements please contact your local GMAC Branch.

- I. INSURANCE CARRIER REQUIREMENTS
 - A. Insurance carrier must be rated 'A', with a minimum size category of Class VII or higher by A.M. Best & Company or have an 'A' rating from Standard & Poor's.

- II. BUILDING COVERAGE
 - B. The property must be covered by an All Risk policy (including windstorm).
 - C. Coverage must be in an amount equal to the full replacement cost of the building(s).
 - D. Deductible may not exceed the lesser of \$10,000 or 1% of the building value.
 - E. Ordinance or Law endorsement is required.

- III. BUSINESS INTERRUPTION
 - F. A minimum of 4 months business interruption coverage, equal to the net operating income for the period, is required.
 - G. Extra expense must be included in this coverage.
 - H. GMAC must be included as loss payee as follows:

- General Motors Acceptance Corporation
Its successors and/or assigns (as their interest may appear)
P.O. Box 1687
Horsham, PA 19044*

- IV. BOILER AND MACHINERY
 - I. General Boiler and Machinery policy is required where steam boilers, pipes, turbines, engines and other pressure vessels are in operation.
 - J. This policy must also include coverage for heating, ventilation and air conditioning (HVAC) systems and miscellaneous electrical apparatus for sudden and accidental breakdown and resultant loss of revenues.
 - K. Deductible may not exceed the lesser of \$10,000 or 1% of the face amount of the policy.

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V. FLOOD, EARTH MOVEMENT – BUILDING

- L. Flood Coverage is required if the property is located in a Federal Emergency Management Agency (FEMA) designated area. Earthquake Coverage is required in the areas shown in Attachment B.
- M. Coverage is required at the amount required to cover any building damage or loss on a replacement cost basis.
- N. Deductible may not exceed the lesser of \$10,000 or 1% of the face amount of the policy.

VI. OTHER

- O. All policies must include a standard, non-contributory mortgage clause with 30 days advance notice naming GMAC as follows:

*General Motors Acceptance Corporation
Its successors and/or assigns (as their interests may appear)
P.O. Box 1687
Horsham, PA 19044*

- P. General Motors Acceptance Corporation must be included as an Additional Named Insured on liability policies
- Q. Original insurance policies, or true and exact copies of the originals, are required for all coverages, except liability insurance. If the policy has not been issued, binders or other acceptable evidence of property insurance will be acceptable on an Interim basis, not to exceed 60 days from insurance. If insurance is provided under a blanket policy, a certified copy of the policy is acceptable.

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Earthquake coverage is required in the following counties:

Alaska

All areas except North Slope Borough

Arkansas:

Clay	Crittenden	Greene	Mississippi	Jackson	Poinsett
Craighead	Cross				

California:

Alameda	Imperial	Marin	Orange	San Francisco	Santa Cruz
Alpine	Inyo	Mendocino	Riverside	San Luis Obispo	Solano
Contra Costa	Kern	Mono	San Benito	San Mateo	Sonoma
Del Norte	Lake	Monterey	San Bernadino	Santa Barbara	Ventura
Humboldt	Los Angeles	Napa	San Diego	Santa Clara	

Illinois:

Alexander	Massac	Pulaski	Union		
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Kentucky:

Ballard	Carlisle	Fulton	Graves	Hickman	McCracken
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Missouri:

Bollinger	Cape Girardeau	Mississippi	Pemisco	Scot	Stoddard
Butler	Dunkin	New Madrid			

Tennessee:

Crockett	Haywood	Lauderdale	Obion	Shelby	Tipton
Dyer	Lake				

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SCHEDULE 1 GRANTING CLAUSES

MORTGAGOR GRANTS TO MORTGAGEE TO SECURE THE OBLIGATIONS SECURED BY THIS MORTGAGE ALL THE ESTATES, RIGHTS, TITLE AND INTEREST OF MORTGAGOR IN, TO AND UNDER, OR DERIVED FROM THE FOLLOWING PROPERTIES DESCRIBED IN GRANTING CLAUSES FIRST through SIXTH, inclusive, as follows, to-wit:

FIRST: Land

All those certain lot(s), piece(s) or parcel(s) of land more particularly described in the attached Exhibit A, and all and singular the reversions or remainders in and to said land and the tenements, hereditaments, easements, rights-of-way or use, rights (including alley, drainage, crop, timber, logging and cutting, agricultural, horticultural, mineral, water, oil and gas rights), privileges, royalties and appurtenances to said land, now or hereafter belonging or in anywise appertaining thereto, including any such rights, title, interests in, to or under any agreement or right granting, conveying or creating, for the benefit of said land, any easement, right or license in any way affecting other property and in, to or under any streets, ways, alleys, vaults, gores or strips of land adjoining said land or any parcel thereof, or in or to the air space over said land, all rights of ingress or egress by motor vehicles to parking facilities on or with the land, and all claims or demands of Mortgagor, either at law or in equity, in possession or expectancy, of, in or to the same. All of the foregoing described in this GRANTING CLAUSE FIRST are hereinafter collectively called the "Land".

SECOND: Improvements

All buildings, structures, facilities and other improvements now or hereafter located on the Land. All of the foregoing described in this GRANTING CLAUSE SECOND, and the proceeds thereof, are hereinafter collectively called the "Improvements".

THIRD: Fixtures

All material, building material, building equipment and other fixtures and/or personal property which is or becomes attached or annexed to the Land or made a part thereof, of every kind and nature now or hereafter owned by Mortgagor and located on the Land or attached to, contained in, or used in any such buildings, structures, facilities or other improvements (such fixtures collectively referred to in this Mortgage as "Fixtures"), and that the term Fixtures shall also include all appurtenances and additions thereto and betterments, renewals, substitutions and replacements thereof, owned by Mortgagor or in which Mortgagor has or shall acquire an interest. All of the foregoing described in this GRANTING CLAUSE THIRD, and the proceeds thereof, are hereinafter collectively called the "Fixtures".

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FOURTH: Awards

All unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained by Mortgagor, all proceeds of the conversion, voluntary or involuntary, of any of the property described in these GRANTING CLAUSES FIRST through SIXTH inclusively into cash or other liquidated claims, including proceeds of hazard, title and other insurance, and all judgments, damages, awards, settlements and compensation (including interest thereon) heretofore or hereafter made to the present and all subsequent owners of the Land, the Improvements, the Fixtures and/or any other property or rights encumbered or conveyed hereby for any injury to or decrease in the value thereof for any reason, or by any governmental or other lawful authority for the taking by eminent domain, condemnation or otherwise of all or any part thereof, including awards for any change of grade or streets. All of the foregoing described in this GRANTING CLAUSE FOURTH, and the proceeds thereof, are hereinafter collectively referred to as the "Awards".

FIFTH: Contracts

All rights, title and interests of Mortgagor in and to all existing and future sale agreements, purchase contracts, purchase money notes, installment land sales agreements, mortgages, deeds of trust, earnest deposits, down payments and any and all other security for the obligations of the purchasers thereunder and of any guarantors or sureties of those obligations which arise from the sale of the Premises or any part thereof; and any and all other considerations received in connection with the sale of the Premises. All of the foregoing described in this GRANTING CLAUSE FIFTH, and the proceeds thereof, are hereinafter collectively referred to as the "Contracts".

SIXTH: Revenues

All rents, income, revenues, profits, and receipts coming within the care, custody or control of Mortgagor from operations of, lease of, or in any way relating to, the Land, Improvements, and Awards, including investment and interest income on any reserves, operating funds and cash of Mortgagor. All of the foregoing described in this GRANTING CLAUSE SIXTH, and the proceeds thereof, are hereinafter collectively referred to as the "Revenues".