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THIS DOCUMENT PREPARED BY AND  
AFTER RECORDING RETURN TO:

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KRWR File No.07056.95900

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Cook County Recorder 60.00



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MORTGAGE, SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT

THIS MORTGAGE is made as of November 27, 2002, between LAGROU WORTH LIMITED PARTNERSHIP, an Illinois limited partnership (the "Mortgagor"), and CENTERPOINT PROPERTIES TRUST, a Maryland real estate investment trust (the "Mortgagee").

1. CONVEYANCE AND SECURED OBLIGATIONS.

1.1 Conveyance. For purposes of securing payment and performance of the Secured Obligations defined and described in Section 1.2, Mortgagor hereby irrevocably and unconditionally grants, conveys, mortgages and warrants to Mortgagee, with right of entry and possession, all estate, right, title and interest which Mortgagor now has or may later acquire in and to the following property (all or any part of such property, or any interest in all or any part of it, as the context may require, the "Property"):

(a) the real property located in the County of Cook, State of Illinois and more particularly described in Exhibit "A" attached hereto, together with all existing and future easements and rights affording access to it (the "Land");

(b) all buildings, structures and improvements now located or later to be constructed on the Land (the "Improvements");

(c) all existing and future appurtenances, privileges, easements, franchises and tenements of the Land, including all minerals, oil, gas, other hydrocarbons and associated substances, sulphur, nitrogen, carbon dioxide, helium and other commercially valuable substances which may be in, under or produced from any part of the Land, all development rights and credits, air rights, water, water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) and water stock, and any land lying in the streets, roads or avenues, open or proposed, in front of or adjoining the Land and Improvements;

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(d) all existing and future leases, subleases, subtenancies, licenses, occupancy agreements and concessions ("leases") relating to the use and enjoyment of all or any part of the Land and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of such leases;

(e) all real property and improvements on it, and all appurtenances and other property and interests of any kind or character, whether described in Exhibit "A" or not, which may be reasonably necessary or desirable to promote the present and any reasonable future beneficial use and enjoyment of the Land and Improvements;

(f) all goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which shall be considered to the fullest extent of the law to be real property for purposes of this Mortgage, excluding, however, any storage racks affixed to the Improvements;

(g) all building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, which have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements;

(h) all rights to the payment of money, accounts, accounts receivable, reserves, deferred payments, refunds, cost savings, payments and deposits, whether now or later to be received from third parties (including all earnest money sales deposits) or deposited by Mortgagor with third parties (including all utility deposits), contract rights, development and use rights, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, notes, drafts and letters of credit (other than letters of credit in favor of Mortgagee), which arise from or relate to construction on the Land or to any business now or later to be conducted on it, or to the Land and Improvements generally;

(i) all proceeds, including all claims to and demands for them, of the voluntary or involuntary conversion of any of the Land, Improvements or the other property described above into cash or liquidated claims, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements, including causes of action arising in tort, contract, fraud or concealment of a material fact;

(j) all books and records pertaining to any and all of the property described above, including computer-readable memory and any computer hardware or software necessary to access and process such memory ("Books and Records");

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(k) all proceeds of, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

Capitalized terms used above and elsewhere in this Mortgage without definition have the meanings given them in the Lease Agreement referred to in Section 1.2 below.

**1.2 Secured Obligations.** This Mortgage is made for the purpose of securing the following obligations (the "Secured Obligations") in any order of priority that Mortgagee may choose:

(a) Payment and performance of all obligations of Mortgagor under that certain Promissory Note of even date herewith made by Mortgagor in favor of Mortgagee in the amount of \$3,317,850.00 (the "Note"); and

(b) Payment and performance of all obligations of Mortgagor under this Mortgage; and

(c) Payment and performance of all modifications, amendments, extensions and renewals, however evidenced, of any of the Secured Obligations.

All persons who may have or acquire an interest in all or any part of the Property will be considered to have notice of, and will be bound by, the terms of the Secured Obligations and each other agreement or instrument made or entered into in connection with each of the Secured Obligations.

**2. ASSIGNMENT OF RENTS.** As an inducement to Mortgagee to make the loan evidenced by the Note, Mortgagor has contemporaneously herewith executed and delivered to Mortgagee an Assignment of Leases and Rents with respect to the Property.

**3. GRANT OF SECURITY INTEREST.**

**3.1 Security Agreement.** The parties acknowledge that some of the Property and some or all of the Rents may be determined under applicable law to be personal property or fixtures. To the extent that any Property or Rents may be personal property, Mortgagor as debtor hereby grants Mortgagee as secured party a security interest in all such Property and Rents, to secure payment and performance of the Secured Obligations. This Mortgage constitutes a security agreement under the Code, covering all such Property and Rents.

**3.2 Financing Statements.** Mortgagor will, at its expense, promptly execute, acknowledge, and deliver all such instruments and take all such action as Mortgagee from time to time may reasonably request in order to ensure to Mortgagee the benefits of the lien in and to the Property and other rights of Mortgagee intended to be created by this Agreement. Mortgagee is hereby authorized to and shall be entitled to file any such UCC-1 Financing Statements which Mortgagee deems advisable in the appropriate public office or offices and Mortgagee shall pay all cost and expense incurred in connection therewith.

**3.3 Fixture Filing.** This Mortgage constitutes a financing statement filed as a fixture filing under Sections 9-313 and 9-402 of the Code hereinafter defined in Section 5.2(e), as amended

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or recodified from time to time, covering any of the Property which now is or later may become fixtures attached to the Land or the Improvements. The following addresses are the mailing addresses of Mortgagor, as debtor under the Code, and Mortgagee, as secured party under the Code, respectively:

Mortgagor: c/o LaGrou Properties  
3514 S. Kostner Avenue  
Chicago, Illinois 60632  
Attn: Mr. Tim Kelly

Mortgagee: CenterPoint Properties Trust  
1808 Swift Road  
Oak Brook, Illinois 60523  
Attn: Mr. Michael M. Mullen  
Chief Investment Officer

#### 4. REPRESENTATIONS, COVENANTS AND AGREEMENTS.

4.1 Good Title. Mortgagor covenants that it is lawfully seized of the Property, that the same are unencumbered except for the permitted exceptions as to the Property set forth on Exhibit "B" attached hereto, and that it has good right, full power and lawful authority to convey and mortgage the same, and that it will warrant and forever defend the Property and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

#### 4.2 Maintenance of Insurance.

(a) Insurance Coverage Requirements: Mortgagor shall maintain, or cause the tenant to maintain, the following insurance coverages, all in forms, with companies and in amounts satisfactory to Mortgagee, as to the Property:

(i) All risk/open perils special form property insurance must be in force with limits of 100% replacement cost. Mortgagor agrees to furnish upon Mortgagee's request evidence of replacement costs, without cost to Mortgagee, such as are regularly and ordinarily made by insurance companies to determine such replacement cost. If a coinsurance clause is in effect, an agreed amount endorsement is required. Blanket policies must include limits by property location. The coverage shall insure the Land, Improvements and all tangible personal property.

(ii) Broad form boiler and machinery coverage, including a form of business income, must be in force if any such item is located on or about the Property.

(iii) If available, flood insurance must be in force if the Property is located in a special flood hazard area according to the most current flood insurance rate map issued by the Federal Emergency Management Agency. The coverage shall include the Property and the tangible personal property.

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(iv) A form of business income coverage must be in force in the amount of 100% of one year's gross rental income from the Property. Blanket policies must include limits by Property location.

(v) Comprehensive/general liability coverage must be in force with a \$3,000,000 combined single limit per occurrence with a minimum aggregate limit of \$5,000,000. Umbrella/excess liability insurance may be used to satisfy this requirement. Liquor liability coverage must be in force if applicable law may impose liability on those selling, serving, or giving alcoholic beverages to others and if such beverages will be sold, served or given on the Property.

(vi) Such additional coverages appropriate to the property type and site location as Mortgagee may reasonably require. Additional coverages may include earthquake, mine subsidence, sinkhole, personal property, supplemental liability, or coverages of other property-specific risks.

(b) Insurance Procedures:

(i) How Mortgagee Should Be Named. On all property policies and coverages (including coverage against loss of business income), Mortgagee must be named as "first mortgagee" under a standard mortgage clause. On all liability policies and coverages, Mortgagee must be named as an "additional insured." Mortgagee should be referred to verbatim as follows: CenterPoint Properties Trust and its successors, assigns and affiliates, as their interest may appear; 1808 Swift Road, Oak Brook, Illinois 60523.

(ii) Rating. The insurance carrier must be rated A, Class XII, or better by Best's Rating Service, without regard to its parent's or any reinsurer's rating.

(iii) Deductible. The maximum deductible on all coverages and policies is \$10,000.

(iv) Notices, Changes and Renewals. All policies must require the insurance carrier to give Mortgagee a minimum of thirty (30) days notice in the event of modification, cancellation or non-renewal. Any vacancy, change of title, tenant occupancy or use, physical damage, additional improvements or other factors affecting any insurance contract must be reported to the Mortgagee immediately. Mortgagor must provide Mortgagee with a paid insurance agent's receipt for all current coverages. An original or certified copy of each policy or certificate of insurance in a form acceptable to Mortgagee is required at Loan Opening and upon renewal. If no such copy is available, Mortgagee will accept a binder for a period not to exceed 90 days. All binders, certificates of insurance, and original or certified copies of policies must name Mortgagor as a named insured, or as an additional insured, must include the complete and accurate property address and must bear the original signature of the issuing insurance agent.

(v) No Other Insurance. Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required

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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.

(c) **Mortgagee's Right to Obtain Insurance:** Notwithstanding this Section 4.2, in the event of an Event of Default, Mortgagee shall have the right (but not the obligation) to place and maintain insurance required to be placed and maintained by Mortgagor hereunder. Any amounts expended therefor shall be immediately due and payable by Mortgagor to Mortgagee.

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

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

**4.5 Subrogation.** Mortgagee shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by Mortgagee in accordance with this Mortgage or with the proceeds of any loan secured by this Mortgage.

**4.6 Notice of Change.** Mortgagor shall give Mortgagee prior written notice of any change in: (a) the location of its place of business or its chief executive office if it has more than one place of business; (b) the location of any of the Property, including the Books and Records; and (c) Mortgagor's name or business structure. Unless otherwise approved by Mortgagee in writing, all Property that consists of personal property (other than the Books and Records) will be located on the Land and all Books and Records will be located at Mortgagor's place of business or chief executive office if Mortgagor has more than one place of business.

**4.7 Releases, Extensions, Modifications and Additional Security.** From time to time, Mortgagee may perform any of the following acts without incurring any liability or giving notice to any person: (i) release any person liable for payment of any Secured Obligation; (ii) extend the time

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for payment, or otherwise alter the terms of payment, of any Secured Obligation; (iii) accept additional real or personal property of any kind as security for any Secured Obligation, whether evidenced by deeds of trust, mortgages, security agreements or any other instruments of security; (iv) alter, substitute or release any property securing the Secured Obligations; (v) consent to the making of any plat or map of the Property or any part of it; (vi) join in granting any easement or creating any restriction affecting the Property; or (vii) join in any subordination or other agreement affecting this Mortgage or the lien of it.

**4.8 Payment of Taxes.** Mortgagor shall pay all special assessments and all real estate taxes, assessments and charges of every kind upon the Property before the same become delinquent.

**4.9 Mechanics' Liens and Contest Thereof.** Mortgagor will not suffer or permit any mechanics' lien claims to be filed or otherwise asserted against the Property or any portion thereof and will promptly discharge the same if any claims for lien or any proceedings for the enforcement thereof are filed or commenced; provided, however, that Mortgagor shall have the right to contest in good faith and with due diligence the validity of any such lien or claim upon furnishing to Mortgagee such security or indemnity as it may require.

**4.10 Settlement of Mechanics' Lien Claims.** If Mortgagor shall fail promptly to discharge any mechanics' lien claim filed or otherwise asserted or to contest any such claims and give security or indemnity in the manner provided in Section 4.9 hereof, or, having commenced to contest the same, and having given such security or indemnity, shall thereafter fail to prosecute such contest in good faith or with due diligence, or fail to maintain such indemnity or security so required, or, upon adverse conclusion of any such contest, shall fail to cause any judgment or decree to be satisfied and lien to be promptly released, then, and in any such event, Mortgagee may, at its election (but shall not be required to) (i) procure the release and discharge of any such claim and any judgment or decree thereon, without inquiring into or investigating the amount, validity or enforceability of such lien or claim and (ii) effect any settlement or compromise of the same, and any amounts so expended by Mortgagee, including premiums paid or security furnished in connection with the issuance of any surety company bonds, shall be deemed to constitute disbursements of the Secured Obligations hereunder.

**4.11 Maintenance, Repair and Restoration of Improvements.** Mortgagor shall (i) promptly repair, restore or rebuild any Improvements which may become damaged or be destroyed as the result of a fire or other casualty provided the insurance proceeds are made available to Mortgagor in accordance with this Mortgage; and (ii) keep the Improvements in good condition and repair, without waste.

**4.12 Compliance With Laws.** Mortgagor shall promptly comply with all applicable laws of any governmental authority having jurisdiction over Mortgagor or the Property, and shall take all actions necessary to bring the Property into compliance with all applicable laws.

## **5. DEFAULTS AND REMEDIES.**

**5.1 Events of Default.** The occurrence of any one or more of the following shall constitute an "Event of Default," as such term is used herein:

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(a) If LaGrou defaults in the performance of any of its covenants, agreements and obligations under the Note;

(b) If Mortgagor defaults in the performance of any of its other covenants, agreements and obligations under this Agreement involving the payment of money, and such default continues for five (5) days after written notice thereof from Mortgagee is given;

(c) If Mortgagor defaults in the performance of any of its non-monetary covenants, agreements and obligations under this Agreement and fails to cure such default within thirty (30) days after written notice thereof from Mortgagee provided, however, that if such default is reasonably susceptible of cure, but cannot be cured within such thirty (30) day period, then so long as Mortgagor promptly commences cure and thereafter diligently pursues such cure to completion, the cure period shall be extended for an additional thirty (30) days, within which Mortgagor may complete such cure;

(d) If any petition is filed by or against Mortgagor under the Federal Bankruptcy Code or any similar state or federal Law, whether now or hereafter existing (and, in the case of involuntary proceedings, failure to cause the same to be vacated, stayed or set aside within thirty (30) days after filing);

(e) If any assignment, pledge, encumbrance, transfer, hypothecation or other disposition of the Property is made;

(f) If Mortgagor is in default under any agreement with Mortgagee and such default continues after any applicable grace period specified in the instrument or agreement relating thereto; or

**5.2 Remedies.** At any time after an Event of Default, Mortgagee shall be entitled to invoke any and all of the rights and remedies described below in addition to all other rights and remedies available to mortgagee at law or in equity. All of such rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies.

(a) **Acceleration.** Mortgagee may declare any or all of the Secured Obligations to be due and payable immediately.

(b) **Receiver.** Mortgagee shall, as a matter of right, without notice and without giving bond to Mortgagor or anyone claiming by, under or through Mortgagor, and without regard for the solvency or insolvency of Mortgagor or the then value of the Property, to the extent permitted by applicable law, be entitled to have a receiver appointed for all or any part of the Property and the Rents, and the proceeds, issues and profits thereof, with the rights and powers referenced below and such other rights and powers as the court making such appointment shall confer, and Mortgagor hereby consents to the appointment of such receiver and shall not oppose any such appointment. Such receiver shall have all powers and duties prescribed by Section 15-1704 of the Illinois Mortgage Foreclosure Law (the "Act"), all other powers which are necessary or usual in such cases for the protection, possession, control, management and operation of the Property, and such rights and powers as Mortgagee would have, upon entering and taking possession of the Property under subsection (c) below.



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(c) Entry. Mortgagee, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Mortgagee may in its sole discretion consider necessary and appropriate to protect the security of this Mortgage. Such other things may include: taking and possession all of Mortgagor's or the then owner's Books and Records; entering into, enforcing, modifying or cancelling leases on such terms and conditions as Mortgagee may consider proper; obtaining and evicting tenants; fixing or modifying Rents; collection and receiving any payment of money owing to Mortgagee; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Mortgagee so requests, Mortgagor shall assemble all of the Property that has been removed from the Land and make all of it available to Mortgagee at the site of the Land. Mortgagor hereby irrevocably constitutes and appoints Mortgagee as Mortgagor's attorney-in-fact to perform such acts and execute such documents as Mortgagee in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Mortgagor's name on any instruments.

(d) Cure; Protection of Security. Mortgagee may cure any breach or default of Mortgagor, and if it chooses to do so in connection with any such cure, Mortgagee may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Mortgage. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Mortgagee under, this Mortgage; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Mortgagee's sole judgment is or may be senior in priority to this Mortgage, such judgment of Mortgagee or to be conclusive as among the parties to this Mortgage; obtaining insurance and/or paying any premiums or charges for insurance required to be carried under the Loan Agreement; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Mortgagee. Mortgagee may take any of the actions permitted under this Section 5.2(d) either with or without giving notice to any person. Any amounts expended by Mortgagee under this Section 5.2(d) shall be secured by this Mortgage.

(e) Uniform Commercial Code Remedies. Mortgagee may exercise any or all of the remedies granted to a secured party under the Uniform Commercial Code for the state in which the Property is located (the "Code").

(f) Foreclosure; Lawsuits. Mortgagee shall have the right, in one or several concurrent or consecutive proceedings, to foreclose the lien hereof upon the Property or any part thereof, for the Secured Obligations, or any part thereof, by any proceedings appropriate under applicable law. Mortgagee or its nominee may bid and become the purchaser of all or any part of the Property at any foreclosure or other sale hereunder, and the amount of Mortgagee's successful bid shall be credited on the Secured Obligations. Without limiting the foregoing, Mortgagee may proceed by a suit or suits in law or equity, whether for specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for any foreclosure under the judgment or decree of any court of competent jurisdiction.

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(g) Other Remedies. Mortgagee may exercise all rights and remedies contained in any other instrument, document, agreement or other writing heretofore, concurrently or in the future executed by Mortgagor or any other person or entity in favor of Mortgagee in connection with the Secured Obligations or any part thereof, without prejudice to the right of Mortgagee thereafter to enforce any appropriate remedy against Mortgagor. Mortgagee shall have the right to pursue all remedies afforded to a mortgagee under the Act and other applicable law, and shall have the benefit of all of the provisions of the Act and such applicable law, including all amendments thereto which may become effective from time to time after the date hereof. In the event any provision of the Act which is specifically referred to herein may be repealed, Mortgagee shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference.

(h) Power of Sale for Personal Property. Under this power of sale, Mortgagee shall have the discretionary right to cause some or all of the Property, which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

(i) For purposes of this power of sale, Mortgagee may elect to treat as personal property any Property which is intangible or which can be severed from the Land or Improvements without causing structural damage. If it chooses to do so, Mortgagee may dispose of any personal property, in any manner permitted by Article 9 of the Code, including any public or private sale, or in any manner permitted by any other applicable law.

(ii) In connection with any sale or other disposition of such Property, Mortgagor agrees that the following procedures constitute a commercially reasonable sale: Mortgagee shall mail written notice of the sale to Mortgagor not later than forty-five (45) days prior to such sale. Once per week during the four weeks immediately preceding such sale, Mortgagee will publish notice of the sale in a local daily newspaper of general circulation. Upon receipt of any written request, Mortgagee will make the Property available to any bona fide prospective purchaser for inspection during reasonable business hours. Notwithstanding, Mortgagee shall be under no obligation to consummate a sale if, in its judgment, none of the offers received by it equals the fair value of the Property offered for sale. The foregoing procedures do not constitute the only procedures that may be commercially reasonable.

(i) Single or Multiple Foreclosure Sales. If the Property consists of more than one lot, parcel or item of property, Mortgagee may:

(i) designate the order in which the lots, parcels and/or items shall be sold or disposed of or offered for sale or disposition; and

(ii) elect to dispose of the lots, parcels and/or items through a single consolidated sale or disposition to be held or made under or in connection with judicial proceedings, or by virtue of a judgment and decree of foreclosure and sale; or through two or more such sales or dispositions; or in any other manner

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Mortgagee may deem to be in its best interests (any foreclosure sale or disposition as permitted by the terms hereof is sometimes referred to herein as a "Foreclosure Sale;" and any two or more such sales, "Foreclosure Sales").

If it chooses to have more than one Foreclosure Sale, Mortgagee at its option may cause the Foreclosure Sales to be held simultaneously or successively, on the same day, or on such different days and at such different times and in such order as it may deem to be in its best interests. No Foreclosure Sale shall terminate or affect the liens of this Mortgage on any part of the Property which has not been sold, until all of the Secured Obligations have been paid in full.

**5.3 Application of Foreclosure Sale Proceeds.** The proceeds of any Foreclosure Sale shall be applied in the following manner:

(a) First, to pay the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Mortgagor is obligated to reimburse Mortgagee hereunder or under the Loan Documents;

(b) Second, to pay the portion of the Secured Obligations attributable to any sums expended or advanced by Mortgagee under the terms of this Mortgage which then remain unpaid;

(c) Third, to pay all other Secured Obligations in any order and proportions as Mortgagee in its sole discretion may choose; and

(d) Fourth, to remit the remainder, if any, to the person or persons entitled to it.

**5.4 Application of Rents and Other Sums.** Mortgagee shall apply any and all Rents collected by it, and any and all sums other than proceeds of a Foreclosure Sale which Mortgagee may receive or collect under Section 5.2, in the following manner:

(a) First, to pay the portion of the Secured Obligations attributable to the costs and expenses of operation and collection that may be incurred by Mortgagee or any receiver;

(b) Second, to pay all other Secured Obligations in any order and proportions as Mortgagee in its sole discretion may choose; and

(c) Third, to remit the remainder, if any, to the person or persons entitled to it.

Mortgagee shall have no liability for any funds which it does not actually receive.

**6. RELEASE OF LIEN.** If Mortgagor shall fully pay all of the Secured Obligations, then this Mortgage shall be null and void. Mortgagee shall release this Mortgage and the lien thereof against the Property by proper instrument upon payment and discharge of all of the Secured Obligations and payment of any filing fee in connection with such release.

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## 7. MISCELLANEOUS PROVISIONS.

7.1 Giving of Notice. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing, addressed as follows and shall be deemed to have been properly given if hand delivered, if sent by reputable overnight courier (effective the business day following delivery to such courier) or if mailed (effective two business days after mailing) by United States registered or certified mail, postage prepaid, return receipt requested:

If to Borrower: LaGrou Worth Limited Partnership  
c/o LaGrou Properties  
3514 S. Kostner Avenue  
Chicago, Illinois 60632  
Attn: Mr. Tim Kelly

With a copy to: Katz Randall Weinberg & Richmond  
333 West Wacker Drive  
Suite 1800  
Chicago, Illinois 60606  
Attn: William Biederman, Esq.

If to Lender: CenterPoint Properties Trust  
1808 Swift Drive  
Oak Brook, Illinois 60523  
Attn: Mr. Michael M. Mullen

with a copy to: Katz Randall Weinberg & Richmond  
333 West Wacker Drive  
Suite 1800  
Chicago, Illinois 60606  
Attn: Mark S. Richmond, Esq.

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice. Notices given in any other fashion shall be deemed effective only upon receipt.

7.2 Remedies Not Exclusive. Mortgagee shall be entitled to enforce payment and performance of any of the Secured Obligations and to exercise all rights and powers under this Mortgage or other agreement or any laws now or hereafter in force, notwithstanding some or all of the Secured Obligations may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in

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addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No waiver of any default of the Mortgagor hereunder shall be implied from any omission by the Mortgagee to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. No acceptance of any payment of any one or more delinquent installments which does not include interest at the penalty or Default Rate from the date of delinquency, together with any required late charge, shall constitute a waiver of the right of Mortgagee at any time thereafter to demand and collect payment of interest at such Default Rate or of late charges, if any.

**7.3 Waiver of Statutory Rights.** To the extent permitted by law, Mortgagor hereby agrees that it shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety. Mortgagor hereby waives any and all rights of redemption and reinstatement with respect to this Mortgage on its behalf and on behalf of each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the Property subsequent to the date of this Mortgage.

**7.4 Estoppel Affidavits.** Mortgagor, within ten (10) days after written request from Mortgagee, shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the Secured Obligations and to the best of its knowledge whether or not any offsets or defense exists against such Secured Obligations, and covering such other matters as Mortgagee may reasonably require.

**7.5 Merger.** No merger shall occur as a result of Mortgagee's acquiring any other estate in or any other lien on the Property unless Mortgagee consents to a merger in writing.

**7.6 Binding on Successors and Assigns.** This Mortgage and all provisions hereof shall be binding upon Mortgagor and all persons claiming under or through Mortgagor, and shall inure to the benefit of Mortgagee and its successors and assigns.

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

**7.8 Severability.** If all or any portion of any provision of this Mortgage shall be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof, and such provision shall be limited and construed as if such invalid, illegal or unenforceable provisions or portion thereof were not contained herein.

**7.9 Effect of Extensions of Time and Amendments.** If the payment of the Secured Obligations or any part thereof be extended or varied or if any part of the security be released, all

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persons now or at any time hereafter liable therefor, or interested in the Property, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse, if any, against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release. Nothing in this Paragraph contained shall be construed as waiving any provision contained herein which provides, among other things, that it shall constitute an Event of Default if the Property be sold, conveyed, or encumbered.

**7.10 Mortgagee's Lien for Service Charge and Expenses.** At all times, regardless of whether any Loan proceeds have been disbursed, this Mortgage secures (in addition to the amounts secured hereby) the payment of any and all Loan commissions, service charges, liquidated damages, expenses and advances due to or incurred by Mortgagee in connection with the Loan; provided, however, that in no event shall the total amount secured hereby exceed two hundred percent (200%) of the amount of the Secured obligations.

**7.11 Applicable Law.** This Mortgage shall be governed by and construed under the internal laws of the State of Illinois.

**7.12 Environmental Conditions.** Mortgagor represents that (i) Mortgagor has not used Hazardous Materials (as defined hereinafter) on, from or affecting the Property in any manner which violates federal, State of Illinois or any Illinois unit of local government's laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, and that, to the best knowledge of Mortgagor, no prior owner of the Property or any tenant, subtenant, occupant, prior tenant, prior subtenant or prior occupant has used Hazardous Materials on, from or affecting the Property in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials; (ii) Mortgagor has never received any notice of any violations of federal, State of Illinois or Illinois local governmental unit laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials and, to the best knowledge of Mortgagor, there have been no actions commenced or threatened by any party for noncompliance. For purposes of this Mortgage, "Hazardous Materials" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (42 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), and in the regulations adopted and publications promulgated pursuant thereto.

Mortgagor shall keep or cause the Property to be kept free of Hazardous Materials, and, without limiting the foregoing, Mortgagor shall not cause or permit the Property to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials, except in compliance with all applicable federal, state and local laws and regulations, nor shall Mortgagor cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor a release of Hazardous Materials onto the Property or onto any other property; and Mortgagor shall use its best efforts to prevent any intentional act or omission on

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the part of any tenant, subtenant or occupant from releasing Hazardous Materials onto the Property or onto any other property.

Mortgagor shall (i) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, under, from or affecting the Property in accordance with all applicable federal, state and local laws, ordinances, rules, regulations and policies, to the reasonable satisfaction of Mortgagee, and in accordance with the orders and directives of all federal, state, and local governmental authorities and (ii) defend, indemnify and hold harmless Mortgagee, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (a) the presence, disposal, release or threatened release of any Hazardous Materials on, over, under, from, or affecting the Property or the soil, water, vegetation, buildings, personal property, persons or animals thereon; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; (c) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials, and/or (d) any violation of laws, orders, regulations, requirements or Mortgagee, which are based upon or in any way related to such Hazardous Materials including, without limitation, reasonable attorneys' and consultants' fees, investigation and laboratory fees, court costs, and litigation expenses.

Mortgagor shall provide Mortgagee, within fourteen (14) days after Mortgagee's written request therefor, with (i) a written history of the use of the Property, including in particular, but not in limitation, any past military, industrial, or landfill use of the Property, and specifically indicating in such response the presence, if any, of underground storage tanks; (ii) if such underground storage tanks do exist, evidence of maintenance and repair thereof, copies of any and all clean-up or removal orders issued by any federal, state or local governmental agency, and, if needed in Mortgagee's judgment, evidence of removal or such underground storage tanks; and (iii) written indications from the regional office of the federal Environmental Protection Agency, and any state Environmental Protection Agency whether the Property have been used for the storage of oil, hazardous waste, any toxic substance, or any Hazardous Material.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the date set forth above.

**LAGROU WORTH LIMITED PARTNERSHIP**, an  
Illinois limited partnership

By: LaGrou Holdings Co., an Illinois corporation, its general  
partner

By: \_\_\_\_\_  
Donald Schimek, President

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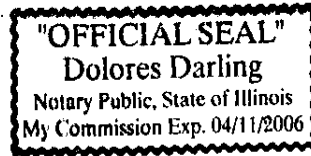
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STATE OF ILLINOIS )  
 )  
COUNTY OF COOK )

I, DOLORES DARLING, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Donald Schimek, as President of LaGrou Holdings Co., an Illinois corporation, as general partner of LaGrou Worth Limited Partnership, an Illinois limited partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such president of said corporation, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said limited partnership, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 21<sup>st</sup> day of November, 2002,

Dolores Darling  
Notary Public





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## EXHIBIT "A"

### LEGAL DESCRIPTION

ALL OF LOTS 55 AND 56 AND THE EAST 30.00 FEET OF LOT 57 IN PEAK'S PARKVIEW, A SUBDIVISION OF PART OF THE WEST ½ OF THE SOUTHEAST ¼ OF SECTION 18, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF FILED OCTOBER 29, 1959 AS LR1893705, IN COOK COUNTY, ILLINOIS.

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## EXHIBIT "B"

### PERMITTED EXCEPTIONS

1. REAL ESTATE TAXES NOT YET DUE AND PAYABLE.
2. PERSON OR PARTY CLAIMING BY, THROUGH OR UNDER THE LESSEES.
3. POSSIBLE OUTSTANDING HOMESTEAD ESTATE, IF ANY, IN THE GRANTORS BY REASON OF THE FAILURE OF THEIR SPOUSES, IF ANY, TO JOIN THE DEED FROM DONALD SCHIMEK AND JAMES STANCEL TO LAGROU WORTH LIMITED PARTNERSHIP RECORDED JANUARY 24, 1997 AS DOCUMENT 97054626.
4. RELEASE OF ALL CLAIMS FOR DAMAGES TO THE LAND BY REASON OF THE TAKING OF LAND AND OTHER PROPERTY NOT NOW IN QUESTION FOR TOLL HIGHWAY PURPOSES, CONTAINED IN THE DEEDS FROM CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, A NATIONAL BANKING ASSOCIATION, AT UN 5978 TO THE ILLINOIS STATE TOLL HIGHWAY COMMISSION RECORDED SEPTEMBER 17, 1958 AND OCTOBER 17, 1958 AS DOCUMENT 17014474 AND 17349598, RESPECTIVELY, AND FILED SEPTEMBER 18, 1957 AS LR1759341 AND DEED RECORDED OCTOBER 23, 1959 AS DOCUMENT 17694115 AND DEED FILED OCTOBER 23, 1957 AS LR1892827.
5. UTILITY EASEMENTS SHOWN ON THE PLAT OF PEAK'S PARKVIEW SUBDIVISION AFORESAID RECORDED OCTOBER 29, 1959 AS DOCUMENT 17698992 AND FILED IN THE OFFICE OF THE REGISTRAR OF TITLES ON OCTOBER 29, 1959 AS LR1893705 OVER THE SOUTH 10.00 FEET OF LOTS 55, 56 AND 57.
6. EASEMENT AS SHOWN BY DOTTED LINES ON THE PLAT OF PEAK'S PARKVIEW SUBDIVISION AFORESAID, FOR THE PURPOSE OF INSTALLING AND MAINTAINING ALL EQUIPMENT NECESSARY FOR THE PURPOSE OF SERVING THE SUBDIVISION AND OTHER PROPERTY WITH TELEPHONE AND ELECTRIC SERVICE, TOGETHER WITH RIGHT TO OVERHANG AERIAL SERVICE WIRES OVER ANY PART OF LAND AND ALSO WITH RIGHT OF ACCESS THERETO, AS GRANTED TO THE ILLINOIS BELL TELEPHONE COMPANY AND THE COMMONWEALTH EDISON COMPANY AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS AND AS SHOWN ON THE PLAT OF SUBDIVISION AFORESAID RECORDED OCTOBER 29, 1959 AS DOCUMENT 17698992 AND FILED IN THE OFFICE OF REGISTRAR OF TITLE ON OCTOBER 29, 1959 AS LR1893705.
7. GRANT OF EASEMENT FILED DECEMBER 14, 1965 AS LR2247079 MADE BY LASALLE NATIONAL BANK, AS TRUSTEE UNDER TRUST AGREEMENT DATED MARCH 19, 1965 AND KNOWN AS TRUST NUMBER 27776 TO THE COMMONWEALTH EDISON COMPANY AN EASEMENT TO LAY, MAINTAIN, OPERATE AND REMOVE UNDERGROUND CONDUITS AND CABLE, WITH THE NECESSARY APPURTENANCES FOR THE TRANSMISSION AND DISTRIBUTION

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OF ELECTRIC CURRENT, WITH THE RIGHT OF ACCESS TO THE SAME FOR THE MAINTENANCE, REPAIR AND OPERATION THEREOF, INCLUDING THE RIGHT TO CLEAR AND KEEP CLEARED SUCH OBSTRUCTIONS FROM THE SURFACE AND SUBSURFACE AS MAY BE NECESSARY FOR THE INSTALLATION AND MAINTENANCE OF SUCH FACILITIES, IN, UPON, UNDER AND ALONG A 10-FOOT STRIP OF LAND CENTER LINE DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 56; THENCE RUNNING IN A NORTHEASTERLY DIRECTION TO A POINT, SAID POINT BEING 30.00 FEET NORTH OF THE SOUTH LINE OF LOT 56 AND 65.00 FEET EAST OF THE WEST LINE OF LOT 56.

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