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This Instrument Prepared By/
After Recording return to;

Keith L. Moore, Esq.
Stamos & Trucco
30 West Monroe Street, Suite 1600
Chicago, IL 60603

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Cook County Recorder 82.00



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CONSTRUCTION MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

THIS CONSTRUCTION MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "**Mortgage**") is made as of the 30th day of December, 2002, **L.P. DEVELOPMENT III, L.L.C.**, an Illinois limited liability company, having an office at 1430 North Dearborn Parkway, Suite 601, Chicago, IL 60610 ("**Mortgagor**"), in favor of **FIRST BANK AND TRUST COMPANY OF ILLINOIS**, an Illinois banking corporation, having an office at 300 East Northwest Highway, Palatine, Illinois 60067 ("**Lender**").

WITNESSETH:

WHEREAS, Lender is party to that certain Acquisition and Construction Loan Agreement dated of even date herewith (the "**Loan Agreement**") with Mortgagor, as "**Borrower**". Initially capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Loan Agreement.

WHEREAS, in connection with the Loan Agreement, Mortgagor has executed and delivered to Lender that certain Promissory Note of even date herewith, payable to the order of Lender in the principal amount of **SEVEN MILLION ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$7,100,000.00)** (the "**Note**"), or such lesser amount as may be disbursed thereon, which Note bears interest and is payable to Lender as more fully described therein and in the Loan Agreement, which Note shall mature as provided therein, but in no event later than **December 31, 2003**; and

WHEREAS, Lender is desirous of securing the prompt payment of the Note, and of any replacement notes (together with the Note, referred to collectively herein as the "**Notes**"), together with interest in accordance with the terms of the Notes and the Loan Agreement, and any additional indebtedness accruing to Lender on account of any future payments, advances or expenditures made by Lender pursuant to, or any other obligation of Mortgagor arising under, any of the Loan Documents (all of the foregoing, the "**Secured Obligations**");

BOX 333-CT1

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WHEREAS, Mortgagor is the owner of certain land and improvements and other property as more particularly described in the Granting Clauses below;

NOW, THEREFORE, to secure the payment, performance and observance by Mortgagor all of the terms, covenants and conditions contained herein and by Mortgagor of all of the terms, covenants and conditions contained in the Loan Documents, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged hereby, Mortgagor has executed and delivered this Mortgage and does hereby grant a lien and/or security interest, as applicable, in, and grant, convey, assign, mortgage and warrant and confirm, to Lender and Lender's successors and assigns forever, all of the property now or hereafter owned by Mortgagor described in the following GRANTING CLAUSES (the "**Mortgaged Property**"):

A. All those certain tracts, pieces or parcels of land legally described in **Exhibit A** attached hereto and hereby made a part hereof and all surface and subsurface soils, minerals and water located thereon and thereunder (the "**Land**"); and

B. All buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all furnishings, furniture, fixtures, machinery, inventory, equipment, appliances, systems, building materials, vehicles and personal property of every kind and nature whatsoever including, without limitation, all gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, plumbing and heating fixtures and systems, carpeting and other floor coverings, washers, dryers, water heaters, mirrors, mantels, air conditioning apparatus and systems, refrigerating plant, refrigerators, computers and all hardware and software therefor, cooking apparatus and appurtenances, window screens, awnings and storm sashes, which are or shall be attached to said buildings, structures or improvements, or which are or shall be located in, on or about the Land, or which, wherever located (including, without limitation, in warehouses or other storage facilities or in the possession of or on the premises of vendors or manufacturers thereof), are used or intended to be used in or in connection with the construction, fixturing, equipping, furnishing, use, operation or enjoyment of the Land or the improvements thereon, now or hereafter owned by Mortgagor, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing, together with all warehouse receipts or other documents of title relating to any of the foregoing and the benefit of any deposits or payments now or hereafter made by Mortgagor in connection with any of the foregoing; and

C. All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, licenses, privileges, liberties, tenements, hereditaments and appurtenances whatsoever in any way belonging, relating or appertaining to the Mortgaged Property, or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor and the reversion and reversions, remainder and remainders thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Mortgagor of, in and to the same; and

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D. Each and every lease, license and other document or instrument, including, without limitation, those described in Granting Clause C above, granting to any person or entity any right to use or occupy, and any other agreement with respect to the use or occupancy of, all or any portion of the Land or the improvements of any type or nature located thereon (the “**Improvements**”), whether heretofore, now or hereafter entered into (the “**Leases**”); and

E. The rents, deposits, issues, profits, proceeds, revenues, awards and other benefits of the Mortgaged Property from time to time accruing (including, without limitation, all payments under the Leases, licenses and documents described in Granting Clause D above, proceeds of insurance, condemnation awards and payments in lieu thereof, tenant security deposits, advance room deposits and escrow funds, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of sale, lease, sublease, license, concession or other grant of the right of the possession, use or occupancy of all or any portion of the Mortgaged Property, or personalty located thereon, or rendering of services by Mortgagor or any operator or manager of the Mortgaged Property or acquired from others including, without limitation, from the rental of any space, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Mortgagor of, in and to the same) (collectively, the “**Rents**”); and

F. All proceeds and avails from rentals, mortgages, sales, conveyances or other dispositions or realizations of any kind or character of or from the foregoing Rents now or hereafter existing, all of which shall constitute proceeds of collateral pursuant to Section 9-315 of the Uniform Commercial Code (“**UCC**”), as adopted in the state in which the Mortgaged Property is located (the “**State**”); and

G. All of the aforementioned personal property and any and all other personal property, whether tangible or intangible, not otherwise described herein and now or at any time hereafter owned by the Mortgagor and now or at any time hereafter located in or on or otherwise utilized in any one or more of the ownership, use, enjoyment, construction, occupancy, management, maintenance, repair and operation of the Land, the Improvements or the equipment located thereon, including, without limitation, trade names, trademarks, service marks, copyrights, patents and other intellectual property and any and all funds of Mortgagor from time to time in Lender’s possession, all of which shall constitute proceeds of collateral pursuant to Section 9-306 of the UCC (the “**Personalty**”); and

H. All of the aforementioned contracts and agreements and any and all other contracts or agreements, whether written or oral, to which Mortgagor is or hereafter becomes a party, to the extent assignment is permitted therein, including, without limitation, purchase contracts for the sale of all or any portion of the Land, contracts pertaining to architectural services, contracts pertaining to engineering services, and contracts relating in any manner to the ownership, use, enjoyment, construction, occupancy, management, maintenance, operation or repair of all or any portion of the Land, the Improvements, the equipment located thereon or the Personalty or otherwise related to all or any part of the real and personal property described elsewhere herein (the “**Contracts**”); and

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I. To the extent assignment thereof is legally permissible, all franchises, permits, licenses, entitlements and rights therein respecting the ownership, use, enjoyment, occupation, management, maintenance, repair and operation of any of the foregoing; and

J. Any and all rights, titles, interests, estates and other claims, at law or in equity, that Mortgagor now has or may hereafter acquire in or to any proceeds from the sale, assignment, conveyance, hypothecation, grant, pledge or other transfer of any or all of the foregoing real or personal property; and

K. Any and all refunds, rebates, reimbursements, reserves, deferred payments, deposits, cost savings, governmental subsidy payments, governmentally registered credits (such as emissions reduction credits) and payments of any kind due from or payable by any governmental authority or any insurance or utility company relating to any or all of the Mortgaged Property; and

L. All refunds, rebates, reimbursements and payments of any kind due from or payable by any governmental authority for any taxes, assessments or governmental or quasi-governmental charges or levies imposed upon Mortgagor with respect to the Mortgaged Property or upon any or all of the Mortgaged Property; and

M. All monies relating to the Mortgaged Property held in any cash collateral or operating account maintained with Lender or any Affiliate of Lender now or at any time hereafter, including all monies held in any capital expenditure escrows or other operational escrows or reserve funds and any other escrows, reserves or letters of credit benefiting or relating to the Mortgaged Property; and

N. All right, title and interest of Mortgagor arising from the operation of the Mortgaged Property in and to all payments for goods or property sold or leased or for services rendered, whether or not yet earned by performance, and not evidenced by an instrument or chattel paper including, without limiting the generality of the foregoing, all accounts, accounts receivable, contract rights, book debts, and notes arising from the operation of the Mortgaged Property and Mortgaged Property-related services on the Mortgaged Property or arising from the sale, lease or exchange of goods or other property and/or the performance of services; and

O. All of Mortgagor's personal property, now owned or hereafter acquired, regardless of whether located in, on or about the Land, including, but not limited to: Accounts; As-extracted Collateral; Chattel Paper; Commodity Accounts; Commodity Contracts; Deposit Accounts; Documents; Equipment; Farm Products; Fixtures; General Intangibles; Goods, and all accessions thereto and goods with which the goods are commingled; Health-Care-Insurance Receivables; Instruments; Inventory; Investment Property; Letter-of-Credit Rights; Payment Intangibles; Promissory Notes; Software; Supporting Obligations and Supplementary Obligations related to the foregoing; Proceeds of the foregoing; and any Commercial Tort Claims (all of the foregoing, along with any of the other property and interests referred to in Granting Clauses A through N, above, to which a security interest may attach and be perfected under the terms of the UCC, are hereinafter referred to as the "Collateral").

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TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Lender, its successors and assigns, to their own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein contained.

WITHOUT LIMITATION OF THE FOREGOING, Mortgagor hereby further grants unto Lender, pursuant to the provisions of the UCC, a security interest in all of the Mortgaged Property, which property includes, without limitation, goods which are or are to become fixtures, the Leases and the Rents.

THIS MORTGAGE IS GIVEN TO SECURE payment of the principal and interest evidenced by the Loan Documents, each of which shall be equally secured by this Mortgage without priority or preference to one over another, and performance of each and every of the covenants, conditions and agreements of the Mortgagor contained in this Mortgage or in any of the other Loan Documents (all of which obligations are included in the Secured Obligations). **PROVIDED HOWEVER, THAT THE INDEBTEDNESS HEREBY SECURED SHALL NOT EXCEED A SUM EQUAL TO THREE (3) TIMES THE AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF THE NOTE.**

PROVIDED, HOWEVER, THE FOREGOING PRESENTS are made upon the condition that, if Mortgagor (i) shall pay or cause to be paid to Lender all of the Secured Obligations, (ii) shall pay or cause to be paid all amounts to be paid by Mortgagor under this Mortgage, and (iii) shall keep, perform and observe (or cause to be kept, performed and observed) each and every one of the covenants and promises in this Mortgage or in any of the other Loan Documents expressed to be kept, performed and observed by and on the part of Mortgagor, then this Mortgage shall cease, terminate and be void; however, if such conditions are not all satisfied, this Mortgage shall otherwise remain in full force and effect.

MORTGAGOR FURTHER COVENANTS AND AGREES WITH LENDER AS FOLLOWS:

1. MORTGAGOR'S COVENANTS, REPRESENTATIONS AND WARRANTIES.

1.1. Warranty of Title. At the time of the recordation of this Mortgage, Mortgagor is well seized of an indefeasible estate in fee simple in the portion of the Mortgaged Property which constitutes real property and owns good title to the portion of the Mortgaged Property which constitutes personal property, and Mortgagor has good right, full power and lawful authority to convey, mortgage and grant a security interest therein and to assign the Rents. Said title of Mortgagor in the Mortgaged Property is free and clear of all liens, charges, easements, covenants, conditions, restrictions and encumbrances whatsoever, other than Existing Liens, as defined in the Loan Agreement, expressly permitted under the Loan Agreement and liens and exceptions to title listed in Schedule B of the mortgagee's title insurance policy delivered to Mortgagee pursuant to the terms of the Loan Agreement (the "**Permitted Exceptions**"), including, as to the personal property and fixtures, security agreements, conditional sales contracts and anything of a similar nature. Mortgagor shall and will forever defend the title to

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the Mortgaged Property against the claims of all persons whomsoever.

1.2. Taxes. Subject to the terms of the Loan Agreement to the extent real estate taxes have been reserved in the Project Budget and are available for disbursement thereunder, the Mortgagor shall pay, or cause to be paid, all installments of taxes, assessments and other similar charges which are assessed, levied, confirmed, imposed, or which become a lien upon or against the Mortgaged Property, or any portion thereof, or which become payable with respect thereto or with respect to the occupancy, use or possession of the Mortgaged Property before the same become delinquent, and shall promptly deliver to Lender receipt therefor. In the event Mortgagor desires to contest the validity of any such taxes or assessments, Mortgagor shall (i) prior to the due date thereof, notify Lender in writing that Mortgagor intends to so contest the same, (ii) if requested by Lender, pay the entire amounts of such taxes or assessments when due or, if a contest is permitted by law without such payment on or before the due date thereof, deposit with Lender security in form and content and amounts satisfactory to Lender for the payment of 125% of such tax or assessment, or provide to Lender such other indemnity or assurance of timely payment as may be acceptable to Lender, and (iii) if requested by Lender, deposit additional security or indemnity, from time to time, so that, at all times, adequate security or indemnity will be available for the payment of the full amount of the taxes or assessments together with all interest, penalties, costs and charges accrued or accumulated thereon. If the foregoing deposits are made and Mortgagor continues, in good faith, to contest the validity of such taxes or assessments by appropriate legal proceedings which shall operate to prevent the collection thereof and the sale of the Mortgaged Property, or any part thereof, to satisfy the same, Mortgagor shall be under no obligation to pay such tax or assessment until such time as the same has been decreed, by court order, to be a valid lien on the Mortgaged Property. Lender shall have full power and authority to reduce any such security or indemnity to cash and apply the amount so received to the payment of any unpaid tax or assessment to prevent the sale or forfeiture of the Mortgaged Property, without any liability on Lender's part for any failure to apply the security or indemnity so deposited, unless Mortgagor requests, in writing, the application thereof to the payment of the particular tax or assessment for which such deposit was made. Any surplus deposit retained by Lender, after the payment of the tax or assessment for which the same was made, shall be repaid to Mortgagor, unless an Event of Default (as hereinafter defined) exists, or an event has occurred or condition exists which, with the giving of notice or the passage of time, or both, could give rise to an Event of Default, in which event such surplus shall be applied by Lender to the Secured Obligations such order and manner as Lender may determine.

1.2.1. Deposits for Taxes and Insurance Premiums. (a) For the purpose of providing funds with which to pay the general taxes and special assessments levied against the Mortgaged Property, and except to the extent such amounts are provided for in the Project Budget, as defined in the Loan Agreement, Mortgagor shall, commencing at any time required by Mortgagee prior to repayment of the Secured Obligations, make a monthly deposit with the Mortgagee on the fifteenth day of every month, in an amount estimated by Mortgagee to be equal to the general real estate taxes and special assessments for the next annual period coming due against the Mortgaged Property, divided by the number months remaining before such taxes and assessments (or installments thereof) shall next become due, with the intention that Mortgagor

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shall deposit with Mortgagee on said monthly basis the amount estimated by Mortgagee to be necessary to be sufficient to accumulate in Mortgagee's custody at least thirty (30) days prior to the next two (2) installments of taxes and special assessments coming due, the amount estimated by Mortgagee to pay each of such installments. All deposits required hereunder shall be computed and made by Lender so that Mortgagee shall have in its possession one month prior to the due date, the amount necessary to pay the said real estate taxes and assessments. If, at the time tax bills are issued for real estate taxes or special assessments for any year, the amount theretofore so deposited shall be less than the amount of such taxes and assessments for that year, Mortgagor agrees to deposit with Mortgagee the difference between the amount theretofore deposited hereunder and the amount required to effect payment of general real estate taxes and special assessments for such year, such deposit to be made within thirty (30) days prior to the penalty date of such tax bills. In the event of any overdeposit, the excess shall be credited against the next monthly payment(s) coming due. In the event of a default in any of the provisions contained in this Mortgage, Mortgagee may, at its option, without being required so to do, apply any tax deposits on hand on any of the Secured Obligations, in such order and manner as Mortgagee may elect. When the Secured Obligations have been fully paid, the then remaining tax deposits shall be paid to Mortgagor.

1.2.2. For the purpose of providing funds with which to pay the annual premiums for the insurance coverage required to be maintained by Mortgagor under the terms of the Loan Agreement or this Mortgage, and except to the extent such amounts are provided for in the Project Budget, as defined in the Loan Agreement, Mortgagor shall, commencing at any time required by Mortgagee prior to repayment of the Secured Obligations, make a monthly deposit with the Mortgagee on the fifteenth day of every month in an amount estimated by Mortgagee to be equal to the estimated annual premiums for said insurance coverage, divided by the number months remaining before such premiums shall next become due, with the intention that Mortgagor shall deposit with Mortgagee on said monthly basis the amount estimated by Mortgagee to be necessary to be sufficient to accumulate in Mortgagee's custody at least thirty (30) days prior to the date on which said premiums shall next come due, the amount estimated by Mortgagee to pay said estimated premiums. All deposits required hereunder shall be computed and made by Lender so that Mortgagee shall have in its possession one month prior to the due date, the amount necessary to pay the said premiums. If, at the time the actual bills are issued for said insurance premiums, the amount theretofore so deposited shall be less than the amount of such premiums for that year, Mortgagor agrees to deposit with Mortgagee the difference between the amount theretofore deposited hereunder and the amount required to effect payment for said premiums for such year, such deposit to be made within thirty (30) days prior to the penalty date of such bills. In the event of any overdeposit, the excess shall be credited against the next monthly payment(s) coming due. In the event of a default in any of the provisions contained in this Mortgage, Mortgagee may, at its option, without being required so to do, apply any tax deposits on hand on any of the Secured Obligations, in such order and manner as Mortgagee may elect. When the Secured Obligations have been fully paid, the then remaining insurance premium shall be paid to Mortgagor.

1.3. Mortgage Taxes. In the event of the passage of any federal, state or local

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governmental law, order, rule or regulation subsequent to the date hereof which changes or modifies in any manner the laws now in force governing the taxation of mortgages or debts secured by mortgages or the manner of collecting taxes so as to materially and adversely affect Lender, all sums secured by this Mortgage and all interest accrued thereon shall become due forthwith at the option of Lender and be payable 60 days after notice to Mortgageor. Notwithstanding the foregoing, instead of paying all the sums secured by this Mortgage and all interest accrued thereon as provided above, Mortgageor shall have the right to pay to Lender an amount which will place Lender in exactly the same position Lender would have been in had the events outlined above not occurred, provided, however, if such payment may, in Lender's judgment, be considered unlawful by a court of competent jurisdiction, then such payment may not be made and all sums secured by this Mortgage and all interest accrued thereon shall become due forthwith at the option of Lender and payable 60 days after notice to Mortgageor as aforesaid.

1.4. No Tax Credits. Mortgageor shall not claim or demand or be entitled to receive any credit or credits on any principal or interest payable with respect to any Secured Obligations, for so much of the taxes, assessments or similar charges assessed against the Mortgaged Property, or any part thereof, as are applicable to the Secured Obligations or to Lender's interest in the Mortgaged Property. No deduction shall be claimed from the taxable value of the Mortgaged Property or any part thereof by reason of the Secured Obligations or this Mortgage.

1.5. Utilities. Mortgageor shall pay or cause to be paid when due any and all charges for utilities, whether public or private, with respect to the Mortgaged Property or any part thereof, and all license fees, rents or other charges for the use of any appurtenance to the Mortgaged Property.

1.6. Liens. Except for the Existing Liens, as defined in the Loan Agreement, the Mortgaged Property shall be kept free and clear of all liens and encumbrances (unless the same are bonded or insured over in a manner satisfactory to Lender) of every nature or description, including, without limitation, liens and encumbrances arising from past due taxes or assessments and from charges for labor, materials, supplies or services, other than liens expressly permitted under the Loan Agreement.

1.7. Subrogation. Lender shall be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of any indebtedness secured hereby.

1.8. Insurance. Mortgageor shall, at its expense, maintain insurance policies in accordance with the terms and conditions of the Loan Documents.

1.9. Casualty. Mortgageor shall give immediate notice to Lender of any damage to or loss of the Mortgaged Property or any portion thereof in excess of \$25,000. In case of such damage or loss which is in excess of \$100,000 and which is covered by any of the insurance policies maintained by Mortgageor, Lender is hereby authorized to adjust, collect and compromise all claims thereunder during the continuance of an Event of Default hereunder; and in such case, Mortgageor shall sign immediately upon demand by Lender, or, in the event Mortgageor fails to do

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so, Lender may sign or endorse on Mortgagor's behalf, all necessary proofs of loss, receipts, releases and other papers required by the insurance companies to be signed by Mortgagor. Mortgagor hereby irrevocably appoints Lender as its attorney-in-fact for the purposes set forth in the preceding sentence. In all other cases, Mortgagor shall have the right to adjust and compromise such insurance claims and any proceeds shall be payable to Lender and Mortgagor jointly. Lender may deduct from such insurance proceeds any reasonable expenses incurred by Lender in the settlement and collection thereof, including, without limitation, attorneys' fees and expenses. The remaining proceeds are referred to herein as the "**Net Insurance Proceeds**".

1.10. Condemnation. If all or any part of the Mortgaged Property, other than a part the loss of which, in Lender's sole discretion, would not materially adversely affect the operation of the Mortgaged Property, shall be damaged or taken through condemnation (which term, when used herein, shall include any damage or taking by any governmental authority and any transfer by private sale in lieu thereof), either temporarily, if in Lender's sole judgment such taking causes a material, adverse impact on (i) the Mortgaged Property and (ii) Mortgagor's ability to pay or perform the Secured Obligations in accordance with the Loan Documents, or permanently, all of the Secured Obligations and obligations under the Loan Documents shall, at the option of Lender, become immediately due and payable. Lender shall be entitled to all compensation, awards and other payments or relief therefor and all such compensation, awards, damages, claims, rights, actions and proceedings, and the right thereto, are hereby assigned by Mortgagor to Lender and shall be paid to Lender. Mortgagor agrees to execute such further assignments of, or payment directions relating to, any compensations, awards, damages, claims, rights, actions and proceedings as Lender may require. Lender may deduct from such compensation, awards and other payments any reasonable expenses incurred by Lender in the collection and settlement thereof, including, without limitation, attorneys' fees and expenses. The remaining amount is referred to herein as the "**Net Award Proceeds**". Lender is hereby authorized, at its option, to commence, appear in and prosecute, in its own name or in the name of Mortgagor, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith during the continuance of an Event of Default hereunder; in all other cases, Mortgagor shall have the right to prosecute, settle or compromise any such claim and any proceeds therefrom shall be payable to Mortgagor and Lender jointly. Lender shall not be liable to Mortgagor for any failure to collect any amount in connection with any such proceeding regardless of the cause of such failure.

1.11. Restoration. If all or any part of the Mortgaged Property shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause, Mortgagor shall promptly and with all due diligence restore and repair the Mortgaged Property whether or not the Net Insurance Proceeds or the Net Award Proceeds (in either event, the "**Proceeds**") are available or sufficient to pay the cost of such restoration or repair, which restoration and repair shall be commenced within 30 days of the adjustment of the loss or the receipt of condemnation proceeds and completed within 180 days thereof. Lender may require that all plans and specifications for such restoration or repair be submitted to and promptly approved by Lender in writing prior to commencement of the work. Lender may require evidence of the estimated cost of completion of such restoration or repair

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satisfactory to Lender and, thereafter, such architect's certificates, waivers of lien, contractors' sworn statements, title insurance endorsements, plats of survey and other evidence of cost, payment and performance relating to such restoration or repair work which is satisfactory to Lender.

1.12. Application of Insurance Proceeds. At Lender's election, to be exercised by written notice to Mortgagor within 30 days following Lender's unrestricted receipt in cash or the equivalent thereof of the Proceeds, the entire amount of the Proceeds shall be either (i) applied to the amounts outstanding with respect to the Loan Documents and in such order and manner as Lender may elect, or (ii) made available to Mortgagor on the terms and conditions set forth in this Section to finance the cost of restoration or repair, with any excess to be applied to the Secured Obligations and amounts outstanding under the Loan Documents in an order determined by Lender in its sole and absolute discretion. Notwithstanding the foregoing, if there is sufficient time, as reasonably determined by Lender, to substantially complete restoration or repair prior to the maturity date and the aggregate amount of the Proceeds shall not exceed the lesser of \$250,000.00 or 10% of the total outstanding amount due under the Loan Documents, and if no Event of Default exists at the time of Lender's election, then Lender must elect the option set forth in clause (ii) of the preceding sentence. If the amount of the Proceeds to be made available to Mortgagor pursuant to this Section is less than the cost of the restoration or repair as estimated by Lender at any time prior to completion thereof, Mortgagor shall cause to be deposited with Lender or an Affiliate of Lender, as designated by Lender, the amount of such deficiency within 30 days after Lender's written request therefor, and Mortgagor's deposited funds shall be disbursed prior to the Proceeds. If Mortgagor is required to deposit funds under this Section, the deposit of such funds shall be a condition precedent to Lender's obligation to disburse the Proceeds held by Lender hereunder. The amount of the Proceeds which is to be made available to Mortgagor, together with any deposits made by Mortgagor hereunder, shall be held by Lender to be disbursed from time to time to pay the cost of repair or restoration either, at Lender's option, to Mortgagor or directly to the contractors, subcontractors, material suppliers and other persons entitled to payment in accordance with and subject to such conditions to disbursement as Lender may impose to assure that the work is fully completed in a good and workmanlike manner and paid for fully so that no liens or claims may arise by reason thereof. If Lender requires mechanics' and materialmen's lien waivers in advance of making disbursements, such waivers shall be deposited with an escrow trustee acceptable to Lender pursuant to a construction loan escrow agreement satisfactory to Lender. No payment made prior to final completion of the repair or restoration shall exceed 90% of the value of the work performed from time to time. Notwithstanding anything to the contrary in this **Section 1.13**, in the event the amount of Proceeds is less than \$250,000, and Lender elects, or must elect clause (ii) of the first sentence of this **Section 1.13**, Lender shall pay the entire amount of such Proceeds directly to Mortgagor without requiring compliance with the foregoing procedures and Mortgagor shall thereafter be obligated to repair or restore the Mortgaged Property regardless of whether or not the Proceeds are sufficient to finance the necessary repairs or restoration. Lender may commingle any such funds held by it with its other general funds. Lender shall not be obligated to pay interest in respect of any such funds held by it. Without limitation of any of the foregoing, Lender shall have the right at all times to apply such funds to the cure of any Event of Default or the

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performance of any obligations of Mortgagor hereunder or under any of the other Loan Documents.

1.13. Governmental Authority Payments. Mortgagor agrees with respect to the collateral described in Granting Clauses K and L hereof (the “**Governmental Authority Payments**”) as follows: (i) that Mortgagor shall, at Mortgagor’s sole expense, promptly take all actions necessary to obtain all proceeds to which Mortgagor is entitled in connection with the Governmental Authority Payments, including, without limitation, the filing of applications or claims and the prosecution of appeals or litigation, if reasonably necessary and cost effective, (ii) that, in the event of an Event of Default by Mortgagor under this Mortgage, Mortgagor shall direct the payor with regard to any of the Governmental Authority Payments to remit same directly to Lender when due, (iii) that Mortgagor shall forward promptly to Lender all notices and correspondence relating in any manner to any of the Governmental Authority Payments and any proceeds received by Mortgagor in connection with any of the Governmental Authority Payments, (iv) that, during the continuance of an Event of Default hereunder, the proceeds of any of the Governmental Authority Payments received by Lender shall be applied toward the repayment of the Secured Obligations in a manner determined by Lender in its sole discretion or, at the request of Mortgagor and with the consent of Lender, said proceeds shall be deposited in a secured deposit account maintained with Lender or an Affiliate of Lender, as designated by Lender, and applied from time to time toward the payment of any expenses relating to the Mortgaged Property, in a manner determined by Lender in its sole discretion, and (v) that, in the event of an Event of Default by Mortgagor under this Mortgage, Lender shall be and hereby is appointed as Mortgagor’s agent with respect to any of the Governmental Authority Payments and in that capacity Lender shall have the right to take all such actions that Lender deems necessary and expedient in order to obtain all proceeds to which Mortgagor is entitled with respect to any of the Governmental Authority Payments.

1.14. General Care of the Property. Mortgagor shall preserve and maintain or cause to be preserved and maintained the Mortgaged Property in good condition and repair, shall not commit or suffer any waste thereof, and shall keep the same in a clean, orderly and attractive condition. Mortgagor shall not do or suffer to be done anything which will increase the risk of fire or of any other hazard to the Mortgaged Property or any part thereof. Except as contemplated by the Loan Documents, no buildings, structures, improvements, fixtures, personal property or other part of the Mortgaged Property shall be removed, added to, demolished or altered structurally to any extent or altered non-structurally in any material respect without the prior written consent of Lender. Mortgagor shall promptly comply, and cause the Mortgaged Property and the occupants or users thereof to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof or the use or occupancy thereof. Lender and its representatives are hereby authorized to enter upon and inspect the Mortgaged Property at any time during normal business hours during the term of this Mortgage.

1.15. Leases and Other Agreements Affecting the Mortgaged Property. Except for the lease to Jeffrey Snower for one Unit in the Mortgaged Property, Mortgagor shall not, without the express written consent of Lender, enter into any lease or tenancy, either orally or in writing,

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created upon the Mortgaged Property or any part thereof. In order to further secure payment of the Secured Obligations, Mortgagor hereby assigns, transfers and sets over to Lender all of Mortgagor's right, title and interest in, to and under all leases now or hereafter affecting the Mortgaged Property or any part thereof and in and to all of the rents, issues, profits, revenues, awards and other benefits now or hereafter arising from the Mortgaged Property or any part thereof.

1.16. Impairment of Security. Without limitation of any other provision hereof, Mortgagor shall not assign, in whole or in part, the rents, issues, profits, revenues, awards and other benefits from the Mortgaged Property without the prior written consent of Lender; any such assignment made without Lender's prior written consent shall be null and void and of no force and effect and the making thereof shall constitute an Event of Default under this Mortgage. Without limitation of the foregoing, Mortgagor shall not in any other manner impair the security of this Mortgage for the payment of any Secured Obligations.

1.17. Prohibition of Further Encumbrance. Except as expressly permitted in the Loan Agreement, Mortgagor shall not, without the prior written consent of Lender, further mortgage, hypothecate, pledge or otherwise encumber, whether by operation of law or otherwise, any interest in the Mortgaged Property. Any such encumbrance made without Lender's prior written consent shall be null and void and of no force or effect, and any mere attempt to create or cause an encumbrance in default of the terms hereof shall constitute an Event of Default under this Mortgage.

1.18. Prohibition of Transfer. Subject to the terms of the Loan Agreement, Mortgagor shall not, without the prior written consent of Lender, sell, assign or otherwise transfer, whether directly or indirectly, by operation of law or otherwise, all or any portion of any interest in the Mortgaged Property, except replacements of personal property in the ordinary course of business. Any such transfer made without Lender's prior written consent shall be null and void and of no force and effect, and any mere attempt to create or cause a transfer in default of the terms hereof shall constitute an Event of Default under this Mortgage.

1.19. Further Assurances; After Acquired Property. At any time and from time to time, upon request from Lender, Mortgagor shall make, execute and deliver, or cause to be made, executed and delivered, to Lender and, where appropriate, to cause to be recorded or filed, or both, and from time to time thereafter to be re-recorded or refiled, or both, at such time and in such offices and places as shall be deemed desirable by Lender, any and all such other and further mortgages, security agreements, financing statements, continuation statements, instruments of further assurances, certificates and other documents as may, in the opinion of Lender, be necessary or desirable in order to effectuate, complete or perfect, or to continue and preserve (i) the obligations of Mortgagor under this Mortgage and the other Loan Documents, and (ii) the lien and security interest of this Mortgage as a first and prior lien and security interest upon all of the Mortgaged Property, whether now or hereafter acquired by Mortgagor. Upon any failure by Mortgagor to so make, execute and deliver each of such documents after written demand, Lender may make, execute, record, file, re-record and refile, as appropriate, any and all such mortgages, security agreements, financing statements, continuation statements, instruments,

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certificates and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Lender as its agent and attorney-in-fact in connection therewith. The lien and security interest hereof will automatically attach, without further act, to all after-acquired property owned by Mortgagor attached to or used in connection with the operation of the Mortgaged Property or any part thereof.

2. MORTGAGOR'S DEFAULT.

2.1. Mortgagor's Defaults and Lender's Remedies.

2.1.1. Events of Default. Each of the following shall constitute an "Event of Default" under this Mortgage (with any notice provided for below to be given in writing in accordance with the requirements of Section 4.3 of this Mortgage):

2.1.1.1. Any "Event of Default" (as defined under any of the Loan Documents, including, without limitation, the Notes or the Loan Agreement) occurs; or

2.1.1.2. Mortgagor fails to pay, when due, any amount payable under this Mortgage other than principal or interest, and such failure continues for a period of five (5) Business Days after notice thereof from Lender to Mortgagor (except if said amount is a Budgeted Closing Cost as defined in the Loan Agreement that Lender is obligated to disburse under the Loan Agreement); or

2.1.1.3. Mortgagor fails to keep or perform any of the agreements, undertakings, obligations, covenants or conditions under this Mortgage not expressly referred to in another clause of this Section and (A) such failure continues for a period of 30 days after notice thereof from Lender to Mortgagor, or (B) if such failure cannot, because of its nature, be cured within said 30-day period, then, if Mortgagor commences curing such failure within said 30-day period and diligently continues such cure, such failure continues for an additional 60-day period after an additional notice; or

2.1.1.4. Any material representation, warranty or certification made in this Mortgage by Mortgagor or otherwise made in writing in connection with or as contemplated by this Mortgage or any of the other Loan Documents by Mortgagor proves to be false or materially misleading; or

2.1.1.5. Except for the Existing Liens as defined in the Loan Agreement or as otherwise permitted under the Loan Agreement, the recording of any claim of lien against any portion of the Mortgaged Property and the continuance of such claim of lien for 30 days without discharge, satisfaction or provision for payment being made by Mortgagor in a manner satisfactory to Lender, provided that the foregoing shall not be deemed to be an Event of Default to the extent Mortgagor is diligently contesting any such lien or claim of lien in good faith and Mortgagor has deposited security with Lender which is acceptable to Lender in Lender's sole and absolute discretion; or the sequestration or attachment of, or any levy or execution upon any portion of the Mortgaged Property, which sequestration, attachment, levy or execution is not released, expunged or dismissed prior to the earlier of 30 days or the sale of the

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assets affected thereby, provided that the foregoing shall not be deemed to be an Event of Default to the extent Mortgagor is diligently contesting any such sequestration, attachment, levy or execution in good faith and Mortgagor has deposited security with Lender acceptable to Lender in Lender's sole and absolute discretion; or

2.1.1.6. The failure at any time of the Mortgage to be a valid first lien upon the Mortgaged Property or any portion thereof, subject only to Permitted Liens, other than as a result of any release or reconveyance of the Mortgage with respect to all or any portion of the Mortgaged Property pursuant to the terms and conditions of the Loan Agreement; or

2.1.1.7. Other than the replacement of furniture, fixtures or equipment or as permitted under Section 3.12 of the Loan Agreement, the Mortgaged Property or any part thereof is sold, conveyed, transferred, assigned, disposed of, or is further encumbered, or an agreement for any of the foregoing is entered into, without the prior written consent of Lender; or

2.1.1.8. Mortgagor enters into any secondary or additional financing agreements or arrangements of any kind whatsoever (other than Permitted Liens) secured, in whole or in part, by all or any part of or interest in the Mortgaged Property; or

2.1.1.9. Any order or decree is entered by any court of competent jurisdiction directly or indirectly enjoining or prohibiting Lender or Mortgagor from performing any of their obligations under this Mortgage or any of the Loan Documents, and such order or decree is not vacated, and the proceedings out of which such order or decree arose are not dismissed, within 30 days after the granting of such decree or order.

2.1.2. Lender's Remedies. Upon the happening of any Event of Default, Lender shall have the right, if such Event of Default shall then be continuing, in addition to all the remedies conferred upon Lender by law or equity or the terms of any Loan Document, to do any or all of the following, concurrently or successively, without notice to Mortgagor:

2.1.2.1. Declare any and all amounts due under the Loan Documents to be, and they shall thereupon become, immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Loan Documents to the contrary notwithstanding; or

2.1.2.2. Terminate Lender's obligations under the Loan Documents to extend credit of any kind or to make any disbursement, whereupon the commitment and obligation of Lender to extend credit or to make disbursements shall terminate; or

2.1.2.3. Enter upon and take possession of the Mortgaged Property and do anything necessary or desirable to complete construction of any improvements contemplated by the Loan Documents, to fulfill the obligations of Mortgagor under the Loan Documents and to sell, manage, maintain, repair and protect the Mortgaged Property, and, without restricting the generality of the foregoing and for the purposes aforesaid, Mortgagor hereby authorizes Lender (A) except the Existing Liens, as defined in the Loan Agreement, to

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pay, settle or compromise all existing bills and claims which may be liens or security interests, or to avoid such bills and claims becoming liens or security interests against the Mortgaged Property or as may be necessary or desirable for the clearance of title or otherwise, (B) to use any funds of any land trustee, including, without limitation, any loan balance which might not have been disbursed and customer deposits, for the purpose of completing said improvements, (C) to make such changes to the plans and specifications for any said improvements as Lender may deem desirable to complete same, (D) to execute all applications and certifications which may be required to carry out the intent and purposes hereof, (E) to employ such contractors, subcontractors, architects and others as Lender may deem appropriate for the purpose of completing and improvements, (F) to make necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty or other property, (G) insure or keep the Mortgaged Property insured, (H) to manage and operate the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in the name of Mortgagor or otherwise with respect to the same, (I) to do any and every act which Mortgagor might do, including, without limitation, to enter into leases of any portion of the Mortgaged Property and to enter into contracts for the sale of, and to sell and convey title to, the Mortgaged Property or any portion thereof and Mortgagor agrees to execute and deliver such contracts, deeds, leases and other instrument as may be required by Lender or Lender's title company to carry out the intent of this Section, (J) to prosecute or defend any and all actions or proceedings involving the Mortgaged Property or any fixtures, equipment or other installations thereon, and (K) to exclude Mortgagor and the representatives of Mortgagor from the Mortgaged Property or any portion thereof, and Lender shall have joint access with Mortgagor to the books and accounts of Mortgagor; furthermore, in connection with an exercise by Lender of the foregoing remedy:

- (i) Lender and its representatives shall be entitled to the entry, possession and use contemplated herein upon demand and without the consent of any party and without any legal process or other condition precedent whatsoever; however, if Mortgagor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after such demand by Lender, Lender may obtain a judgment or decree conferring on Lender the right to immediate possession or requiring the delivery of immediate possession of all or part of the Mortgaged Property to Lender, and Mortgagor hereby specifically consents to the entry of such judgment or decree;
- (ii) Mortgagor acknowledges that any denial of such entry, possession and use by Lender may cause irreparable injury and damage to Lender and agrees that Lender may forthwith sue for any remedy to enforce the immediate enjoyment of such right, and Mortgagor hereby waives the posting of any bond as a condition for granting such remedy; and
- (iii) Mortgagor shall pay to Lender, upon demand, all expenses (including, without limitation, attorneys' fees and expenses) of obtaining such judgment or decree or of otherwise seeking to enforce its rights under this Mortgage or any of the other

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Loan Documents; and all such expenses shall, until paid, be secured by the Loan Documents and shall bear interest at the Default; or

2.1.2.4. Offset and apply any indebtedness now or hereafter owing from Lender to Mortgagor (including, without limitation, any amounts on deposit in any demand, time, savings, passbook, certificate of deposit or like account maintained by Mortgagor with Lender or any affiliate of Lender) against any and all amounts due from Mortgagor to Lender hereunder or under the other Loan Documents; or

2.1.2.5. Collect and receive all the rents, issues, profits and revenues of the Mortgaged Property, including those past due as well as those accruing thereafter, after deducting therefrom (A) all expenses of taking, holding, managing and operating the Mortgaged Property (including, without limitation, compensation for the services of all persons employed for such purposes), (B) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements, purchases and acquisitions, (C) the cost of such insurance, (D) such taxes, assessments and other similar charges as Lender may determine to pay, (E) other proper charges upon the Mortgaged Property or any part thereof, and (F) Lender's attorneys' fees and expenses.

2.2. Protective Advances. If an Event of Default occurs, Lender may (but shall in no event be required to) cure any such Event of Default and any amounts expended by Lender in so doing, including, without limitation, all funds furnished by Lender pursuant to **Section 2.1.2.3** above, shall (i) be deemed advanced by Lender under an obligation to do so regardless of the identity of the person or persons to whom such funds are furnished, (ii) constitute additional advances hereunder, the payment of which is additional indebtedness evidenced by the Notes, and (iii) become due and owing, at Lender's demand, with interest accruing from the date of disbursement thereof until fully paid at the Default Rate.

2.3. Other Remedies. If any Event of Default shall occur and be continuing after any applicable cure periods, Lender may, in addition to any other rights and remedies hereunder, exercise any and all remedies provided in any of the other Loan Documents.

2.4. No Lender Liability. To the extent permitted by law, Lender shall have no liability for any loss, damage, injury, cost or expense resulting from any action or omission by it, or any of its representatives, which was taken, omitted or made in good faith except losses, damages, injuries, costs or expenses resulting from Lender's gross negligence or willful misconduct.

2.5. Lender's Attorneys' Fees. In case of any Event of Default hereunder, Mortgagor shall pay Lender's reasonable attorneys' fees and expenses in connection with the enforcement of this Mortgage or any of the other Loan Documents.

2.6. Receiver. If an Event of Default shall have occurred and be continuing after any applicable cure periods, Lender, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right without notice and without regard to the occupancy or value of

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any security for the Secured Obligations or the insolvency of any party bound for its payment to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits, revenues, awards and other benefits thereof. The receiver shall have all of the rights and powers to the fullest extent permitted by law. Mortgagor shall pay to Lender upon demand all of Lender's costs and expenses, including, without limitation, receiver's fees and expenses and attorneys' fees and expenses, incurred pursuant to this Section plus interest thereon accruing at the Default Rate, and all such amounts shall be additional indebtedness comprising Secured Obligations.

2.7. Lender's Power of Enforcement. If an Event of Default shall have occurred and be continuing after any applicable cure periods, Lender may, either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy (i) to enforce payment of the Secured Obligations or the performance of any term, covenant, condition or agreement of this Mortgage or any other right, and/or (ii) to foreclose this Mortgage and to sell the Mortgaged Property as an entirety or otherwise, as Lender may determine, and (iii) to the extent permitted by, and subject to compliance with, the laws of the state in which the Mortgaged Property is located, exercise such power of sale allowed under such law, and upon giving of such notice as is required by such law, conduct such private or public sale of the Mortgaged Property as is so allowed, and/or (iv) to pursue any other remedy available to it, including, without limitation, any remedy available to it under any of the Loan Documents or applicable law, all as Lender shall deem most effectual for such purposes. Lender may take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, as Lender may determine. Lender may elect to pursue any one or more or all of the foregoing.

2.8. Purchase by Lender. Upon any foreclosure sale, Lender may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part of any indebtedness or obligation secured hereby as a credit to the purchase price.

2.9. Fees and Expenses; Application of Proceeds of Sale. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness secured hereby (and part of the Secured Obligations) in the decree for sale, to the extent permitted by law, all costs and expenses which may be paid or incurred by or on behalf of Lender or the holder of the Notes for attorneys' fees and expenses, appraiser's fees and expenses, receiver's fees and expenses, insurance, taxes, outlays for documentary and expert evidence, costs for preservation of the Mortgaged Property, stenographer's charges, publication cost and costs of procuring all abstracts of title, title searches and examinations, and similar data and assurances with respect to title as Lender or the holder of the Notes may deem to be necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or value of the Mortgaged Property, or for any other reasonable purpose. The amount of any such costs and expenses which may be paid or incurred after the decree for sale is entered may be estimated and the amount of such estimate may be allowed and included as additional indebtedness secured hereby (and part of the Secured Obligations) in the decree for sale. In the event of a foreclosure sale of the Mortgaged Property, the proceeds of said sale shall be applied first to the expenses of such sale and of all proceedings in connection therewith,

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including, without limitation, attorneys' fees and expenses, then to insurance premiums, liens, assessments, taxes and charges, including, without limitation, utility charges, then to payment of the outstanding principal balance of any indebtedness secured hereby, then to the accrued interest on all of the foregoing, and, finally, the remainder, if any, shall be paid to Mortgagor.

2.10. Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws.

Mortgagor agrees, to the fullest extent permitted by law, that if an Event of Default occurs hereunder, neither Mortgagor nor anyone claiming through or under Mortgagor shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension, homestead or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the Mortgaged Property hereby conveyed, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and Mortgagor, for itself and all who may at any time claim by, through or under it, hereby waives and releases, to the fullest extent permitted by law, the benefit of all such laws and any and all rights to have the assets comprised in the security intended to be created hereby (including under the Additional Security Instruments) marshalled upon any foreclosure of the lien hereof or thereof.

2.11. Leases. Lender, at its option, is authorized to foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property, and the failure to make such tenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by Mortgagor, a defense to any proceedings instituted by Lender to collect the sums secured hereby, or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

2.12. Discontinuance of Proceedings and Restoration of the Parties. In case Lender shall have proceeded to enforce any right, power or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Lender, then and in every such case, Mortgagor and Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Lender shall continue as if no such proceeding had been taken.

2.13. Remedies Cumulative. No right, power or remedy conferred upon or reserved to Lender by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

2.14. Suits to Protect the Mortgaged Property. Upon the occurrence of an Event of Default hereunder, Lender shall have the power (i) to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or in violation of this Mortgage; (ii) to preserve or protect its interest in the Mortgage Property and in the rents, issues, profits, revenues, awards and other benefits arising therefrom; and (iii) to restrain the enforcement of or compliance with any legislation or other governmental enactment, regulation, rule, order or other requirement that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such

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enactment, regulation, rule, order or other requirement would impair the security hereunder or be prejudicial to the interest of Lender, and all costs and expenses incurred by Lender in connection therewith (including, without limitation, attorneys' fees and expenses) shall be paid by Mortgagor to Lender on demand with interest at the Default Rate, and all such amounts shall be additional indebtedness secured hereby (and part of the Secured Obligations).

2.15. Lender May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Mortgagor, its creditors or its property, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Lender allowed in such proceedings for the entire amount due and payable by Mortgagor under this Mortgage at the date of the institution of such proceedings and for any additional amount which may become due and payable by Mortgagor hereunder after such date.

3. ASSIGNMENT OF LEASES AND RENTS.

3.1. Assignment. For \$10.00 and other good and valuable consideration, including the indebtedness evidenced by the Notes, the receipt and sufficiency of which are hereby acknowledged, Mortgagor has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell and convey absolutely unto Lender the Leases and the Rents, subject only to the hereinafter referenced License, to have and to hold the Leases and the Rents unto Lender, forever, and Mortgagor does hereby bind itself, its successors and assigns to warrant and forever defend the title to the Leases and the Rents unto Lender against every person whomsoever lawfully claiming or to claim the same or any part thereof by or through Mortgagor; provided, however, if Mortgagor shall pay or cause to be paid and shall perform and discharge or cause to be performed and discharged, the Secured Obligations on or before the date same is to be paid, performed and discharged, then this assignment shall terminate and be of no further force and effect, and all rights, titles and interests conveyed pursuant to this assignment shall become revested in Mortgagor without the necessity of any further act or requirement by Mortgagor or Lender.

3.2. Limited License. Lender hereby grants to Mortgagor a limited license (the "**License**"), nonexclusive with the rights of Lender reserved in this Mortgage, to exercise and enjoy all incidences of ownership of the Leases and the Rents, including specifically but without limitation the right to collect, demand, sue for, attach, levy, recover and receive and retain the Rents, and to give proper receipts, releases and acquittances therefor. Mortgagor hereby agrees to receive all Rents and hold the same as a trust funds and to apply the Rent so collected, to the payment, satisfaction and discharge of the indebtedness described in the Loan Documents as and when the same shall become due and payable. Thereafter, Mortgagor may use the balance of the Rent collected in any manner not inconsistent with the Loan Documents.

3.3. Enforcement of Leases. Subject to and in accordance with the terms and conditions of **Section 1.15** of this Mortgage, Mortgagor shall (a) duly and punctually perform and comply with any and all representations, warranties, covenants and agreements expressed as binding upon the landlord under any Lease, (b) maintain each of the Leases in full force and

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effect during the term thereof, (c) to the extent commercially reasonable, appear in and defend any action or proceeding in any manner connected with any of the Leases, (d) deliver to Lender copies of executed counterparts of all Leases, and (e) deliver to Lender such further information, and execute and deliver to Lender such further assurances and assignments, with respect to the Leases as Lender may from time to time reasonably request. Without Lender's prior written consent, Mortgagor shall not materially discount any future accruing Rent, or assign or grant a security interest in or to the License or any of the Leases.

3.4. Suits; Attornment. Subject to the License and the provisions of **Section 2.1.2** of this Mortgage, Lender hereby reserves and may exercise the right and Mortgagor hereby acknowledges that Lender has the right (but not the obligation), upon the occurrence and during the continuance of an Event of Default, to collect, demand, sue for, attach, levy, recover and receive any Rent, to give proper receipts, releases and acquittances therefor and, after deducting the expenses of collection, to apply the net proceeds thereof as a credit upon any portion of any indebtedness secured hereby selected by Lender, notwithstanding that such portion selected may not then be due and payable or that such portion is otherwise adequately secured. Mortgagor hereby authorizes and directs any lessee of the Mortgaged Property to deliver any such payment to, and otherwise to attorn all other obligations under the Leases direct to, Lender. Mortgagor hereby ratifies and confirms all that Lender shall do or cause to be done by virtue and in compliance with the terms of this assignment. No lessee shall be required to inquire into the authority of Lender to collect any Rent, and any lessee's obligation to Mortgagor shall be absolutely discharged to the extent of its payment to Lender.

3.5. Remedies. Upon or at any time after the occurrence of any Event of Default, Lender, at its option and in addition to the remedies provided in this Mortgage, shall have the complete, continuing and absolute right, power and authority to terminate the License solely by the giving of written notice of termination to Mortgagor. Upon Lender's giving of such notice, the License shall immediately terminate without any further action being required of Lender. Thereafter, as long as any Event of Default shall exist, Lender shall have the exclusive right, power and authority to take any and all action as described above, regardless of whether a foreclosure sale of the remainder of the Mortgaged Property has occurred under this Mortgage, or whether Lender has taken possession of the remainder of the Mortgaged Property or attempted to do any of the same. No action referred to above or in this Section taken by Lender shall constitute an election of remedy. Notwithstanding any term to the contrary herein, in the event of such a termination of Mortgagor's License, such License shall be reinstated when and if the applicable Event of Default shall have been cured or waived.

3.6. No Obligation of Lender. Neither the acceptance by Lender of the assignment granted in this Mortgage, nor the granting of any other right, power, privilege or authority in this Mortgage, nor the exercise of any of the aforesaid, shall (a) prior to the actual taking of physical possession and operational control of the Mortgaged Property by Lender, be deemed to constitute Lender as a "mortgagee in possession" or (b) at any time thereafter, obligate Lender (i) to appear in or defend any action or proceeding relating to the Leases, the Rents or the remainder of the Mortgaged Property, (ii) to take any action hereunder, (iii) to expend any money or incur any expenses or perform or discharge any obligation, duty or liability with respect to any Lease, (iv)

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to assume any obligation or responsibility for any deposits which are not physically delivered to Lender or (v) for any injury or damage to person or property sustained in or about the Mortgaged Property, provided that nothing herein shall relieve Lender of liability for the willful misconduct or gross negligence or omissions of Lender.

3.7. Mortgagor's Indemnities. So long as the License is in effect, Mortgagor shall indemnify and hold Lender harmless from and against any and all liability, loss, cost, damage or expense which Lender incurs under or by reason of this assignment, or for any action taken by Lender hereunder in accordance with the terms hereof, or by reason of or in defense of any and all claims and demands whatsoever which are asserted against Lender arising out of the Leases. In the event Lender incurs any such liability, loss, cost, damage or expense, the amount thereof together with all reasonable attorneys' fees and interest thereon at the Default Rate shall be payable by Mortgagor to Lender, within 30 days after demand by Lender, and shall be secured by this Mortgage, provided that Mortgagor shall have no duty or liability hereunder to indemnify and hold Lender harmless from matters resulting from the willful misconduct or gross negligence of Lender.

4. MISCELLANEOUS.

4.1. Time of the Essence. Time is of the essence of this Mortgage.

4.2. Severability. Any provision of this Mortgage which is unenforceable or invalid or contrary to law, or the inclusion of which would adversely affect the validity, legality or enforcement of this Mortgage, shall be of no effect and, in such case, all the remaining terms and provisions of this Mortgage shall subsist and be fully effective according to the tenor of this Mortgage the same as though any such invalid portion had never been included herein. Notwithstanding any of the foregoing to the contrary, if any provisions of this Mortgage or the application thereof are held invalid or unenforceable only as to particular persons or situations, the remainder of this Mortgage, and the application of such provision to persons or situations other than those to which it shall have been held invalid or unenforceable, shall not be affected thereby, but shall continue valid and enforceable to the fullest extent permitted by law.

4.3. Notices. Any notice which either party hereto may be required or may desire to give hereunder shall be deemed to have been given if in writing and if delivered personally, or if mailed, postage prepaid, by United States registered or certified mail, return receipt requested, or if delivered by a responsible overnight courier, addressed:

if to Mortgagor: c/o Latsko Properties
1430 North Dearborn Parkway, Suite 1600
Chicago, IL 60610

with a copy to: Warren C. Laski, Esq.
1438 West Altgeld
Chicago, IL 60614

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in the case of Lender to: First Bank and Trust Company of Illinois
300 East Northwest Highway
Palatine, Illinois 60067
Attn: Robert Walter

and a copy to: Keith L. Moore, Esq.
Stamos & Trucco
30 West Monroe St., Suite 1600
Chicago, Illinois 60603

or to such other address or addresses as the party to be given notice may have furnished in writing to the party seeking or desiring to give notice, as a place for the giving of notice, provided that no change in address shall be effective until seven days after being given to the other party in the manner provided for above. Any notice given in accordance with the foregoing shall be deemed given when delivered personally or, if mailed, three business days after it shall have been deposited in the United States mails as aforesaid or, if sent by overnight courier, the business day following the date of delivery to such courier.

4.4. Documentation. All documents and other matters required by any of the provisions of this Mortgage to be submitted or furnished to Lender shall be in form and substance satisfactory to Lender.

4.5. Additional Assurances. Mortgagor agrees that, at any time or from time to time, upon the written request of Lender, Mortgagor will execute all such further documents and do all such other acts and things as Lender may request to effectuate the transaction herein contemplated.

4.6. Choice of Law. This Mortgage shall be governed by and construed in accordance with the internal laws of the State of Illinois, except the law of the State shall govern matters pertaining to the lien and enforcement of this Mortgage. Nothing herein shall be deemed to limit any rights, powers or privileges which Lender may have pursuant to any law of the United States of America or any rule, regulation or order of any department or agency thereof and nothing herein shall be deemed to make unlawful any transaction or conduct by Lender which is lawful pursuant to, or which is permitted by, any of the foregoing.

4.7. No Third Party Beneficiary. This Mortgage is made for the sole benefit of Mortgagor and Lender, and no other person shall be deemed to have any privity of contract hereunder nor any right to rely hereon to any extent or for any purpose whatsoever, nor shall any other person have any right of action of any kind hereon or be deemed to be a third party beneficiary hereunder.

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4.8. Interpretation. All references herein to a party's best knowledge shall be deemed to mean the actual knowledge of such party based on an appropriate and thorough inquiry. Unless specified to the contrary herein, all references herein to an exercise of discretion or judgment by Lender, to the making of a determination or designation by Lender, to the application of Lender's discretion or opinion, to the granting or withholding of Lender's consent or approval, to the consideration of whether a matter or thing is satisfactory or acceptable to Lender, or otherwise involving the decision making of Lender, shall be deemed to mean that Lender shall decide unilaterally using its sole and absolute discretion or judgment.

4.9. No Waiver.

4.9.1. General Waiver Provisions. No waiver of any term, provision, condition, covenant or agreement herein contained shall be effective unless set forth in a writing signed by Lender, and any such waiver shall be effective only to the extent set forth in such writing. No failure by Lender to exercise or delay by Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right or remedy provided by law. The rights and remedies provided in this Mortgage are cumulative and not exclusive of any right or remedy provided by law or equity. No notice or demand on Mortgagor in any case shall, in itself, entitle Mortgagor to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of Lender to any other or further action in any circumstances without notice or demand.

4.9.2. Specific Waiver Provisions. If Lender (i) grants forbearance or an extension of time for the payment of any indebtedness or obligation secured hereby; (ii) takes other or additional security for the payment of any indebtedness or obligation secured hereby; (iii) waives or does not exercise any right granted herein or in the Loan Documents or in any other document or instrument securing the Secured Obligations; (iv) releases with or without consideration any of the Mortgaged Property from the lien of this Mortgage or any other security for the payment of the indebtedness secured hereby; (v) changes any of the terms, covenants, conditions or agreements of any Loan Document or this Mortgage or in any other document or instrument securing the Secured Obligations; (vi) consents to the filing of any map, plat or replat or condominium declaration affecting the Mortgaged Property; (vii) consents to the granting of any easement or other right affecting the Mortgaged Property; or (viii) makes or consents to any agreement subordinating the lien hereof; any such act or omission shall not release, discharge, modify, change or affect (except to the extent of the changes referred to in clause (v) above) the original liability under the this Mortgage or any other Loan Documents or any other obligation of Mortgagor or any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor; nor shall any such act or omission preclude Lender from exercising any right, power or privilege herein granted or intended to be granted upon the occurrence of an Event of Default then made or of any subsequent Event of Default, except to the extent expressly agreed to in writing by Lender, nor, except as otherwise expressly provided in an instrument or instruments executed by Lender, shall the lien of this Mortgage or the priority thereof be altered thereby, whether or not there are junior lienors and whether or not they consent to any of the foregoing.

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4.9.3. Sale or Transfer. In the event of the sale, assignment or other transfer, by operation of law or otherwise, of all or any part of the Mortgaged Property, Lender, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the Secured Obligations, or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any liabilities, obligations or undertakings. The foregoing shall not limit the prohibition against transfer set forth in **Section 1.18** hereof.

4.9.4. Partial Releases. Without limitation of the foregoing, Lender hereby reserves the right to make partial release or releases of the Mortgaged Property, or of any other security held by Lender with respect to all or any part of the Secured Obligations, without notice to, or the consent, approval or agreements of, other parties in interest, including junior lienors, which partial release or releases shall not impair in any manner the validity or priority of this Mortgage on the portion of said property not so released.

4.10. Security Agreement. This Mortgage shall be construed as a “**Security Agreement**” within the meaning of and shall create a security interest under the UCC, with respect to the Collateral defined in Granting Clause O of this Mortgage. Lender shall have the rights with respect to such Collateral as are afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Lender by this Mortgage or any of the other Loan Documents. All of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Mortgaged Property, and the following provisions of this Section 4.10 shall not limit the generality or applicability of any other provision of this Mortgage but shall be in addition thereto:

4.10.1. Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof and the Permitted Exceptions.

4.10.2. The Collateral is to be used by Mortgagor solely for business purposes, with the Personalty being installed upon the Mortgaged Property for Mortgagor's own use or as the equipment and furnishings furnished by Mortgagor, as landlord, to tenants of the Mortgaged Property.

4.10.3. The Personalty will be kept at the real estate comprised within the Mortgaged Property and will not be removed therefrom other than in the ordinary course of business without the consent of Lender (being the Secured Party as that term is used in the UCC) or any other person and the Personalty and Fixtures may be affixed to such real estate but will not be affixed to any other real estate.

4.10.4. No Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor will at its own cost and expense, upon demand, furnish to Lender such further information and will execute and deliver

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to Lender such financing statements, control agreements, waivers, subordinations and other documents in form satisfactory to Lender and will do all such acts and things as Lender may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a first priority perfected security interest in the Collateral as security for the Secured Obligations, subject to no adverse liens or encumbrances and Mortgagor will pay the cost of filing the same or filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by Lender to be necessary or desirable.

4.10.5. Upon an Event of Default hereunder and at any time thereafter (such default not having previously been cured), Lender at its option may declare the Secured Obligations immediately due and payable, all as more fully set forth in Section 2 hereof, and thereupon Lender shall have the remedies of a secured party under the UCC, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Mortgagor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace) upon any place where the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the UCC); and Lender shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations, as provided in the UCC. Lender without removal may render the Collateral unusable and dispose of the Collateral on the Mortgaged Property. Lender may require Mortgagor to assemble the Collateral and make it available to Lender for its possession at a place to be designated by Lender which is reasonably convenient to both parties. Lender will give Mortgagor at least fifteen (15) business days notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified mail or equivalent, postage prepaid, to the address of Mortgagor shown in this Mortgage at least fifteen (15) business days before the time of the sale or disposition. Lender may buy at any public sale and if the Collateral is of a type customarily sold in a recognized market or is of the type which is the subject of widely distributed standard price quotations, Lender may buy at private sale. Any such sale may be held as part of and in conjunction with any foreclosure sale of the real estate comprised within the Mortgaged Property, the Collateral and real estate to be sold as one lot if Lender so elects. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like and the reasonable attorney's fees and legal expenses incurred by Lender, shall be applied in satisfaction of the Secured Obligations. Lender will account to Mortgagor for any surplus realized on such disposition.

4.10.6. The remedies of Lender hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the UCC shall not be construed as a waiver of the other remedies of Lender, including having the Collateral deemed part of the realty upon any foreclosure thereof so long as any part of the Secured Obligations remains unsatisfied.

4.10.7. The terms and provisions contained in this Section 4.10 shall, unless the context

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otherwise requires, have the meanings and be construed as provided in the UCC.

4.11. Fixture Filing. As to all of the Mortgaged Property which is or which hereafter becomes a “fixture” under applicable law, this Mortgage constitutes a fixture filing under Sections 9-334 and 9-502(c) of the UCC. The addresses of Mortgagor (Debtor) and Lender (Secured Party) are set forth in Section 4.3 hereof. This Mortgage is to be filed for record with the Recorder of Deeds of the County or Counties where the Mortgaged Property are located. Mortgagor is the record owner of the Mortgaged Property.

4.12. No Merger. It being the desire and the intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereunder understood and agreed that, should Lender acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Lender as evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, such that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

4.13. Delivery of Summons, Etc. If any action or proceeding shall be instituted which (i) is intended to evict Mortgagor or recover possession of the Mortgaged Property or any part thereof, or (ii) could result in a money judgment in excess of \$100,000 for failure to pay any obligation relating to the Mortgaged Property or this Mortgage (which judgment would not be covered and fully paid by applicable insurance), Mortgagor, to the extent required under the Loan Agreement, shall immediately, upon service thereof on or by Mortgagor, deliver to Lender a true copy of each petition, summons, complaint, notice of motion, order to show cause and all other process, pleadings and papers, however designated, served in any such action or proceeding.

4.14. Successors and Assigns. This Mortgage shall be binding upon the Mortgagor and its legal representatives, successors and assigns.

4.15. Legal Tender of United States. All payments hereunder shall be made in coin or currency which at the time of payment is legal tender in the United States of America for public and private debts.

4.16. Compliance with Mortgage Foreclosure Law. In the event that any provision in this Mortgage shall be inconsistent with any provision of the statutes or common law of the State governing the foreclosure of this Mortgage (collectively, the “Foreclosure Laws”), the provisions of the Foreclosure Laws shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Foreclosure Laws.

4.17. Definitions; Captions. With respect to any reference in this Mortgage to any defined term, (i) if such defined term refers to a person, or a trust, corporation, partnership or other entity, then it shall also mean all heirs, personal representatives, successors and assigns of such person or entity, and (ii) if such defined term refers to a document, instrument or agreement,

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then it shall also include any replacement, extension or other modification thereof. Captions contained in this Mortgage in no way define, limit or extend the scope or intent of their respective provisions.

4.18. WAIVER OF RIGHT TO JURY TRIAL. MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT THAT MORTGAGOR MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION ARISING IN ANY WAY IN CONNECTION WITH THIS MORTGAGE, ANY OF THE OTHER LOAN DOCUMENTS OR ANY OTHER STATEMENTS OR ACTIONS OF LENDER. MORTGAGOR ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO EACH OF THE LOAN DOCUMENTS IT EXECUTES, AND THAT THIS WAIVER SHALL BE EFFECTIVE AS TO EACH OF THE OTHER LOAN DOCUMENTS AS IF FULLY INCORPORATED THEREIN.

4.19. Construction Loan; Future Advances. The Note evidences a debt created by one or more disbursements made by Mortgagee to Borrower to acquire the Premises, as well as finance the cost of the construction of certain improvements upon the Premises in accordance with the provisions of the Loan Agreement of even date herewith between Borrower and Mortgagee, and this Mortgage is a construction mortgage as such term is defined in Section 9-313(1)(c) of the Illinois Uniform Commercial Code. The terms and conditions recited and set forth in the Loan Agreement are fully incorporated in this Mortgage and made a part hereof, and an Event of Default under any of the conditions or provisions of the Loan Agreement shall constitute an Event of Default hereunder. Upon the occurrence of any such Event of Default, the holder of the Note may at its option declare the Secured Obligations immediately due and payable, or complete the construction of said improvements and enter into the necessary contracts therefor, in which case all money expended shall be so much additional Indebtedness Hereby Secured and any money expended in excess of the amount of the original principal shall be immediately due and payable with interest until paid at the Default Rate (as defined in the Note). In the event of a conflict between the terms of the Loan Agreement and this Mortgage, the provisions of the Loan Agreement shall apply and take precedence over this Mortgage. This Mortgage secures future advances that may be made from time to time under the terms of the Loan Agreement. Each advance shall have, to the fullest extent allowed by law, the same priority as if made at the original date hereof, provided that such disbursement is made within twenty years from the date hereof. All advances made under the terms of the Loan Agreement shall be deemed to be obligatory advances, including those made for the purpose of completing the improvements on the Premises and those made for the purpose of protecting Mortgagee's collateral or for other costs and expenses and purposes allowed under the terms of this Mortgage, the Loan Agreement or the other Loan Documents.

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COUNTERPART SIGNATURE PAGE TO MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

IN WITNESS WHEREOF, the undersigned has caused these presents to be signed by its duly authorized representatives as of the date first above written.

MORTGAGOR:

L.P. DEVELOPMENT III, L.L.C., an Illinois
limited liability company

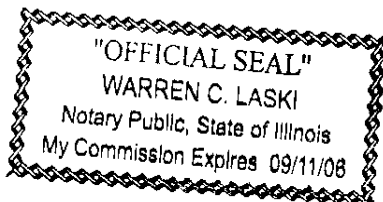
By: _____

Frederick Latsko
Manager

STATE OF Illinois
COUNTY OF Cook

I, Warren C. Laski, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT FREDERICK LATSKO, personally known to me, to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged he signed, sealed and delivered the said instrument as the free and voluntary act of said company, for the uses and purposes therein set forth, and as his own free and voluntary act, individually.

Given under my hand and notarial seal this 30th day of December, 2002.



Warren C. Laski
NOTARY PUBLIC

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EXHIBIT A

Legal Description of the Land

PARCEL 1:

LOTS 38 TO 45, INCLUSIVE, IN BLOCK 1 IN NICKERSON'S ADDITION TO CHICAGO, BEING A SUBDIVISION OF THE WEST HALF OF BLOCK 15 AND OF SUBDIVISION BLOCK 5 OF THE EAST HALF OF SAID BLOCK 15 OF SHEFFIELD'S ADDITION TO CHICAGO IN SECTION 32, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 46 AND 47 IN BLOCK 1 IN NICKERSON'S ADDITION TO CHICAGO, BEING A SUBDIVISION OF THE WEST HALF OF BLOCK 15 AND OF SUBDIVISION BLOCK 5 OF THE EAST HALF OF SAID BLOCK 15 OF SHEFFIELD'S ADDITION TO CHICAGO IN SECTION 32, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as: 2311 – 2329 North Bosworth Avenue (Parcel 1)

2299 North Clybourn Avenue (Parcel 2)

PIN No.: 14-32-101-056-0000 (Parcel 1)

14-32-101-043-0000 (Parcel 2)