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Eugene "Gene" Moore Fee: \$50.00
Cook County Recorder of Deeds
Date: 05/19/2003 02:41 PM Pg: 1 of 14

④ of 5

This instrument prepared by
and return to after recording:

Peter B. Ross, Esq.
Piper Rudnick
203 North LaSalle Street
Chicago, Illinois 60601

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MORTGAGE

This Mortgage (the "Mortgage") is made as of May 8, 2003, by Edgewater Square LLC, an Illinois limited liability company, having an address at 3800 North Milwaukee, Chicago, Illinois 60641, (the "Borrower"), to PGR Properties, Inc., an Illinois corporation, having an address at 240 East 90th Drive, P.O. Box 10489, Merrillville, Indiana 46411-0489 (the "Lender").

Borrower has executed and delivered to Lender a Promissory Note (the "Note") of even date herewith payable to the order of Lender in the principal sum of Four Hundred Seventy Thousand Dollars (\$470,000.00), bearing interest and payable as set forth in the Note, and with an outside maturity date of August 7, 2004.

In order to secure the payment of the principal indebtedness under the Note and interest and premiums on the principal indebtedness under the Note (and all replacements, renewals and extensions thereof, in whole or in part) according to its terms, and to secure the payment of all other sums which may be at any time due under the Note or this Mortgage (collectively sometimes referred to herein as "Indebtedness"); and to secure the performance and observance of all the provisions contained in this Mortgage or the Note, and to charge the properties, interests and rights hereinafter described with such payment, performance and observance, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower DOES HEREBY MORTGAGE AND CONVEY unto Lender, its successors and assigns forever, the following described property, rights and interests (which are referred to herein as the "Premises"), all of which property, rights and interests are hereby pledged primarily and on a parity with the Land (as hereinafter defined) and not secondarily:

THE LAND located in the State of Illinois (the "Land") and legally described on Exhibit A attached hereto;

TOGETHER WITH all improvements of every nature whatsoever now or hereafter situated on the Land, and all fixtures and personal property of every nature whatsoever now or hereafter owned by Borrower and located on or used or intended to be used in connection with

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the Land or the improvements, or in connection with any construction thereon, and owned by Borrower, and all of Borrower's rights or payments now or hereafter made on such personal property or fixtures by Borrower or on its behalf (the "Improvements");

TOGETHER WITH all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way now or hereafter belonging, relating or appertaining to the Land, and the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, in and to the same;

TOGETHER WITH all income from the Premises to be applied against the Indebtedness; provided, however, that Borrower, so long as no Default has occurred hereunder, may collect income and other benefits as it becomes due, but not more than one (1) month in advance thereof; and

TOGETHER WITH all proceeds of the foregoing, including, without limitation, all judgments, awards of damages and settlements hereafter made resulting from condemnation proceeds or the taking of the Premises or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance maintained with respect to the Premises or proceeds of any sale, option or contract to sell the Premises or any portion thereof.

TO HAVE AND TO HOLD the Premises, unto the Lender, its successors and assigns, forever, for the purposes herein set forth together with all right to possession of the Premises after the occurrence of any Default as hereinafter defined; Borrower hereby **RELEASING AND WAIVING** all rights under and by virtue of the homestead exemption laws of the State of Illinois.

BORROWER COVENANTS that it is lawfully seized of the Land, and that it has lawful authority to mortgage the same, and that it will warrant and defend the Land and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

PROVIDED, NEVERTHELESS, that if Borrower shall pay in full when due the Indebtedness and shall timely perform and observe all of the provisions herein and in the Note provided to be performed and observed by Borrower, then this Mortgage and the interest of Lender in the Premises shall cease and become void, but shall otherwise remain in full force.

BORROWER FURTHER AGREES AS FOLLOWS:

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

2. **Maintenance, Repair, Compliance with Law, Use, etc.** Borrower shall (a) promptly repair or restore any portion of the Improvements which may become damaged or be destroyed whether or not proceeds of insurance are available or sufficient for that purpose;

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(b) keep the Premises in good condition and free from waste; (c) pay all operating costs of the Premises; (d) complete, within a reasonable time, any building or other Improvements at any time in the process of erection upon the Premises; (e) comply with all requirements of law relating to the Premises and the use thereof; (f) refrain from any action and correct any condition which would increase the risk of fire or other hazard to the Improvements; (g) comply with any restrictions of record with respect to the Premises; and comply with any conditions necessary to preserve and extend all rights that are applicable to the Premises; and (h) cause the Premises to be managed in a competent manner.

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

4. **Insurance Coverage.** Borrower will continuously maintain the following described policies of insurance (the "Insurance Policies"):

4.1 Casualty insurance against loss and damage by all risks of physical loss or damage, including fire, windstorm, flood, earthquake and other risks covered by the so-called extended coverage endorsement in amounts not less than the full insurable replacement value of all Improvements, fixtures and equipment from time to time on the Premises and bearing a replacement cost agreed amount endorsement;

4.2 Comprehensive public liability against death, bodily injury and property damage with such limits as Lender may require; and

4.3 The types and amounts of coverage as are customarily maintained by owners or operators of like properties.

5. **Insurance Policies.** All Insurance Policies shall be in form, companies and amounts reasonably satisfactory to Lender. All Insurance Policies shall (i) include, when available, non-contributing mortgagee endorsements in favor of Lender, (ii) include standard waiver of subrogation endorsements, (iii) provide that the coverage shall not be terminated or materially modified without thirty (30) days' advance written notice to Lender and (iv) provide that no claims shall be paid thereunder without ten (10) days' advance written notice to Lender. Borrower will deliver all Insurance Policies, premium prepaid, to Lender and will deliver renewal or replacement policies at least thirty (30) days prior to the date of expiration of any policy.

6. **Condemnation and Eminent Domain.** All awards (the "Awards") made to the owner of the Premises, by any governmental or other lawful authority for the taking, by condemnation or eminent domain, of all or any part of the Premises, are hereby assigned by Borrower to Lender. Lender is hereby authorized to give appropriate acquittances therefor. Borrower shall immediately notify Lender of the actual or threatened commencement of any

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condemnation or eminent domain proceedings affecting the Premises and shall deliver to Lender copies of any papers served in connection with any such proceedings. Borrower shall make and deliver to Lender, at any time upon request, free of any encumbrance, all further assignments and other instruments deemed necessary by Lender for the purpose of assigning all Awards to Lender. After deducting from the Award for such taking all of its expenses incurred in the collection and administration of the Award, including attorneys' fees, Lender shall be entitled to apply the net proceeds toward repayment of such portion of the Indebtedness as it deems appropriate without affecting the lien of this Mortgage. In the event of any partial taking of the Premises or any interest in the Premises, which, in the judgment of Lender leaves the Premises as a complete economic unit having equivalent value to the Premises as it existed prior to the taking, and provided no Default has occurred and is then continuing, the Award shall be applied to reimburse Borrower for the cost of restoring and rebuilding the Premises in accordance with plans, specifications and procedures approved by Lender, and such Award shall be disbursed in the same manner as is hereinabove provided for the application of insurance proceeds, provided that any surplus after payment of such costs shall be applied on account of the Indebtedness. If the Award is not applied for reimbursement of such restoration costs, the Award shall be applied against the Indebtedness, in such order or manner as Lender shall elect.

7. **Restrictions on Transfer.** Borrower, shall not effect, suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, or other encumbrance or alienation of the Premises without repayment to Lender of Principal as required by the Note ("Prohibited Transfer").

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

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

8.2 If any default, after the expiration of any applicable grace periods, shall exist under any other document or instrument regulating, evidencing, securing or guarantying any of the Indebtedness;

8.3 A Prohibited Transfer;

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

8.5 If (and for the purpose of this subparagraph 6.5 only, the term Borrower shall mean not only Borrower, but also any beneficiary of a trustee Borrower, any general partner in a partnership Borrower or in a partnership which is a beneficiary of a trustee Borrower, any owner of more than ten percent (10%) of the stock in a corporate Borrower or a corporation which is the beneficiary of a trustee Borrower any owner of more than ten (10%) of the membership interests in a limited liability company Borrower or a limited liability company which is the beneficiary of a trustee Borrower and each

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person who, as guarantor, co-maker or otherwise, shall be or become liable for any part of the Indebtedness or any of the agreements contained herein):

8.5.1 Borrower shall file a voluntary petition in bankruptcy or for relief under the Federal Bankruptcy Act or any similar state or federal law;

8.5.2 Borrower shall file a pleading in any proceeding admitting insolvency;

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

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

8.5.5 Borrower shall make an assignment for the benefit of creditors or shall consent to the appointment of a receiver or trustee or liquidator of all or the major part of its property, or the Premises; or

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

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

9. **Foreclosure.** When the Indebtedness shall become due, whether by acceleration or otherwise, Lender shall have the right to foreclose the lien hereof in accordance with the Illinois Mortgage Foreclosure Act, Ill. Rev. Stat. ch. 110, para. 15-1101 et seq. (1987), 735 ILCS 5/15-1101 (1992) (the "Act"), as it may be amended from time to time, and to exercise any other remedies of Lender provided in the Note, this Mortgage, or which Lender may have at law, in equity or otherwise. In any suit to foreclose the lien hereof, there shall be allowed and included as additional Indebtedness in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of Lender for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true conditions of the title to or the value of the Premises, and any other expenses and expenditures which may be paid or incurred by or on behalf of Lender and permitted by the Act to be included in such decree.

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All expenditures and expenses of the nature mentioned in this Paragraph, and such other expenses and fees as may be incurred in the protection of the Premises and rents and income therefrom and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Lender in any litigation or proceedings affecting this Mortgage, the Note or the Premises, including probate and bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional Indebtedness and shall be immediately due and payable by Borrower, with interest thereon at the Default Rate until paid.

10. **Right of Possession.** When the Indebtedness shall become due, whether by acceleration or otherwise, or if Lender has a right to institute foreclosure proceedings, Borrower, forthwith upon demand of Lender, shall surrender to Lender, and Lender shall be entitled to be placed in possession of the Premises as provided in the Act and Lender, in its discretion and pursuant to court order, may reasonably, by its agent or attorneys, enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records and accounts of Borrower or the then owner of the Premises relating thereto, and may exclude Borrower, such owner, and any agents and servants thereof wholly therefrom and, on behalf of Borrower or such owner, or in its own name as Lender and under the powers herein granted may:

10.1 Hold, manage and control all or any part of the Premises and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the rents, issues, deposits, profits, and avails of the Premises;

10.2 Cancel or terminate any lease or sublease of all or any part of the Premises for any cause or on any ground that would entitle Borrower to cancel the same;

10.3 Extend or modify any then existing leases and make new leases of all or any part of the Premises, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the loan evidenced by the Note and the issuance of a deed to a purchaser at a foreclosure sale, it being understood and agreed that any such Leases, and the options or other such provisions to be contained therein, shall be binding upon Borrower, all persons whose interests in the Premises are subject to the lien hereof, and the purchaser at any foreclosure sale, notwithstanding any redemption from sale, reinstatement, discharge of the Indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser;

10.4 Make all necessary or proper repairs, decoration renewals, replacements, alterations, additions, betterments and improvements in connection with the Premises as may seem judicious to Lender, to insure and reinsure the Property and all risks incidental to Lender's possession, operation and management thereof, and to receive all rents, issues, deposits, profits and avails therefrom; and

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10.5 Apply the net income, after allowing a reasonable fee for the collection thereof and for the management of the Premises, to the payment of Taxes, Premiums and other charges applicable to the Premises, or in reduction of the Indebtedness hereby secured in such order and manner as Lender shall select.

Without limiting the generality of the foregoing, Lender shall have all power, authority and duties as provided in the Act. Nothing herein contained shall be construed as constituting Lender a mortgagee in possession in the absence of the actual taking of possession of the Premises.

11. **Receiver**. Upon the filing of a complaint to foreclose this Mortgage or at any time thereafter, the court in which such complaint is filed may appoint upon petition of Lender, and at Lender's sole option, a receiver of the Premises pursuant to the Act. Such appointment may be made either before or after sale, without notice, without regard to solvency or insolvency of Borrower at the time of application for such receiver, and without regard to the then value of the Premises or whether or not the same shall be then occupied as a homestead; and Lender hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver shall have all powers and duties prescribed by the Act, including the power to make leases to be binding upon all parties, including the mortgagor, the purchaser at a sale pursuant to a judgment of foreclosure and any person acquiring an interest in the Premises after entry of a judgment of foreclosure, all as provided in the Act. In addition, such receiver shall also have the power to extend or modify any then existing leases, which extensions and modifications may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Note and beyond the date the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other provisions to be contained therein, shall be binding upon Borrower and all the persons whose interest in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption, reinstatement, discharge of the Indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser. In addition, such receiver shall have the power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether or not there is a redemption, as well as during any further times when Borrower, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits, and such receiver shall have all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court, from time to time, may authorize the receiver to apply the net income from the Premises in payment in whole or in part of: (a) the Indebtedness or the indebtedness secured by a decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; or (b) the deficiency in case of a sale and deficiency.

12. **Foreclosure Sale**. Except to the extent otherwise required by the Act, the proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, all items which under the terms hereof constitute Indebtedness additional to the principal and interest evidenced by the Note in such order as Lender shall elect with interest thereon as herein provided; and second, all principal and interest remaining unpaid on

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the Note in such order as Lender shall elect; and lastly, any surplus to Borrower and its successors and assigns, as their rights may appear.

13. **Insurance During Foreclosure.** In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any Insurance Policy, if not applied in rebuilding or restoring the Improvements, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance shall be paid as the court may direct. The foreclosure decree may provide that the mortgagee's clause attached to each of the casualty Insurance Policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said casualty Insurance Policies making the loss thereunder payable to said decree creditors. The foreclosure decree may further provide that in the case of one or more redemptions under said decree, each successive redeemer may cause the preceding loss clause attached to each casualty Insurance Policy to be cancelled and a new loss payable clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event of foreclosure sale, Lender, without the consent of Borrower, may assign any Insurance Policies to the purchaser at the sale, or take such other steps to protect the interest of such purchaser.

14. **Waiver of Right of Redemption and Other Rights.** To the fullest extent permitted by law, Borrower agrees that it will not at any time or in any manner whatsoever take any advantage of any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, or take any advantage of any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or after such sale, claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof. To the fullest extent permitted by law, Borrower hereby expressly waives any and all rights it may have to require that the Premises be sold as separate tracts or units in the event of foreclosure. To the fullest extent permitted by law, Borrower hereby expressly waives any and all rights of redemption under the Act, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Borrower and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Borrower and such other persons are and shall be deemed to be hereby waived to the fullest extent permitted by applicable law. To the fullest extent permitted by law, Borrower agrees that, by invoking or utilizing any applicable law or laws or otherwise, it will not hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Lender, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the fullest extent permitted by law, Borrower hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note. Borrower acknowledges that the Premises do not constitute agricultural real estate as defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act.

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15. **Lender's Performance of Borrower's Obligations.** In case of Default, either before or after acceleration of the Indebtedness or the foreclosure of the lien hereof and during the period of redemption, if any, Lender may, but shall not be required to, make any payment or perform any act herein required of Borrower (whether or not Borrower is personally liable therefor) in any form and manner deemed expedient to Lender. Lender may, but shall not be required to, complete construction, furnishing and equipping of the Improvements and rent, operate and manage the Premises and the Improvements and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises shall be operational and useable for their intended purposes. All monies paid, and all expenses incurred in connection therewith, including attorneys' fees, shall be so much additional Indebtedness, whether or not the Indebtedness, as a result thereof, shall exceed the face amount of the Note, and shall become immediately due and payable on demand, and with interest thereon at the Default Rate specified in the Note (the "Default Rate"). Inaction of Lender shall not be a waiver of any right accruing to it on account of any Default nor shall the provisions of this Paragraph or any exercise by Lender of its rights hereunder prevent any default from constituting a Default. Lender, in making any payment hereby authorized (a) relating to Taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, furnishing or equipping of the Premises or the rental, operation or management of the Premises or the payment of operating costs and expenses thereof, may do so in such amounts and to such persons as Lender may deem appropriate. Nothing contained herein shall be construed to require Lender to advance or expend monies for any purpose.

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

17. **Successors and Assigns.**

17.1 **Holder of the Note.** This Mortgage and each provision hereof shall be binding upon Borrower and its successors and assigns (including, without limitation, each and every record owner from time to time of the Premises or any other person having an interest therein), and shall inure to the benefit of Lender and its successors and assigns. Wherever herein Lender is referred to, such reference shall be deemed to include the holder from time to time of the Note; and each such holder of the Note shall have all of the rights afforded hereby and may enforce the provisions hereof, as fully as if Lender had designated such holder of the Note herein by name.

17.2 **Covenants Run with Land; Successor Owners.** All of the covenants of this Mortgage shall run with the Land and shall be binding on any successor owners of the Land. If the ownership of the Premises or any portion thereof becomes vested in a

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person other than Borrower, Lender, without notice to Borrower, may deal with such person with reference to this Mortgage and the Indebtedness in the same manner as with Borrower without in any way releasing Borrower from its obligations hereunder. Borrower will give immediate written notice to Lender of any conveyance, transfer or change of ownership of the Premises, but nothing in this Paragraph shall vary the provisions of Paragraph 8 hereof.

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

19. **Future Advances.** At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures as part of the Indebtedness the payment of all loan commissions, service charges, liquidated damages, attorneys' fees, expenses and advances due to or incurred by Lender in connection with the Indebtedness, all in accordance with the Note and this Mortgage; provided, however, that in no event shall the total amount of the Indebtedness, including loan proceeds disbursed plus any additional charges, exceed two hundred percent (200%) of the face amount of the Note. All such advances are intended by the parties hereto to be a lien on the Premises from the time this Mortgage is recorded as provided in the Act.

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

21. **Option to Subordinate.** At the option of Lender, this Mortgage shall become subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any leases of all or any part of the Premises upon the execution by Lender and recording thereof, at any time hereafter, in the Office of the Recorder of Deeds for the county wherein the Premises are situated, of a unilateral declaration to that effect.

22. **Governing Law.** The place of negotiation, execution and delivery of this Mortgage and the location of the Property being the State of Illinois, this Mortgage shall be construed and enforced according to the laws of that State, without reference to the conflicts of law principles of that State.

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23. **Business Loan.** The proceeds of the Note will be used for the purposes specified in Ill. Rev. Stat. ch. 17, para. 6404 (1987), 815 ILCS 205/4 (1992) and the principal obligation secured hereby constitutes a "business loan" coming within the definition and purview of said section.

24. **Inspection of Premises and Records.** Borrower shall keep and maintain full and correct books and records showing in detail the income and expenses of the Premises. Lender and its agents shall have the right to inspect the Premises and all books, records and documents relating thereto at all reasonable times.

25. **Financial Statements.** If required by Lender, Borrower, within ninety (90) days after the end of each fiscal year of Borrower, will furnish to Lender financial and operating statements of the Premises for such fiscal year, including, but without limitation, a balance sheet and supporting schedules, detailed statement of income and expenditures and supporting schedules, all prepared in accordance with generally accepted principles of accounting consistently applied. Such financial and operating statements shall be prepared and certified in such manner as may be acceptable to Lender, and Lender, by notice in writing to Borrower, may require that the same be certified and prepared pursuant to audit, by a firm of independent certified public accountants satisfactory to Lender, in which case such accountants shall state whether, during the course of their audit, they discovered or became aware of any information which would lead them to believe that a Default exists.

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

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

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

29. **Senior Mortgage.** Borrower has executed and delivered to Oak Brook Bank, an Illinois banking corporation, ("Senior Lender") (i) that certain note in the original principal amount of \$8,540,000 Dollars ("Senior Note"); and (ii) that certain Mortgage and Security Agreement executed by Borrower in favor of Senior Lender, recorded on May ____, 2003, as Document Number _____ with the Recorder of Deeds of Cook County, Illinois ("Senior Mortgage"). The Senior Note, Senior Mortgage and other documents evidencing or securing the \$8,540,000 loan by Senior Lender to Borrower are collectively referred to herein as

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the "Senior Loan Documents." Lender acknowledges that this Mortgage is junior and subordinate to the lien of the Senior Mortgage.

If Borrower is declared by the holder of the Senior Instruments to be in default with respect to any requirement of any of the Senior Instruments, Borrower agrees that said default shall constitute a Default hereunder. Upon the occurrence of such Default, in addition to any other rights or remedies available to Lender, Lender may, but need not, make any payment or perform any act required to cure or attempt to cure any said default under any of the Senior Instruments in any manner and form deemed expedient by Lender. Lender shall not be responsible for determining the validity or accuracy of any claim of default made by the Lender under the Senior Instruments and the payment of any sum by Lender in curing or attempting to cure any alleged default or omission shall be presumed conclusively to have been reasonable, justified and authorized. Borrower hereby grants to Lender an irrevocable power of attorney, which power of attorney is coupled with an interest, for the term of this Mortgage to cure any default or forfeiture which may occur under the Senior Mortgage. Borrower further agrees to execute a formal and recordable power of attorney granting such right at any time during the existence of this Mortgage if requested by Lender. All monies paid by Lender in curing any default under the Senior Instruments, including attorneys' fees and costs in connection therewith, shall bear interest from the date or dates of such payment at the Default Rate, shall be paid by Borrower to Lender on demand, and shall be deemed a part of the Indebtedness and recoverable as such in all respects. Any inaction on the part of the Lender shall not be construed as a waiver of any right accruing to Lender on account of any Default hereunder.

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

EDGEWATER SQUARE LLC, an Illinois limited liability company

By: _____

Name: _____

Title: VP of member

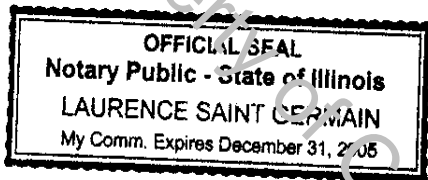
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STATE OF _____)
) SS.
COUNTY OF _____)

I HEREBY CERTIFY that on this 7 day of May, 2003, before me a Notary Public for the state and county aforesaid, personally appeared J Paul Bush known to me or satisfactorily proven to be the same person whose name is subscribed to the foregoing instrument, who acknowledged that he/she is the U.S. Ambassador of Edgebrook that he/she has been duly authorized to execute, and has executed, such instrument on its behalf for the purposes therein set forth, and that the same is its act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal the day and year first above written.

Laurence Saint Germain



Notary Public

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EXHIBIT A LEGAL DESCRIPTION

Parcel 1:

Lots 8, 9 and 10 (except that part conveyed to the City of Chicago for widening streets by deeds recorded as Document Numbers 9225038 and 9225039) and Lots 11, 12, 13, 14, and 15 and the vacated alley lying East and adjoining Lot 11 and West of and adjoining Lots 8 through 10 in the Resubdivision of Block 7 in Barrett and Galloway's Resubdivision of Blocks 7, 8 and 9 in Henry Town in the East 1/2 of the Southeast 1/4 of Section 6, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

That part of Lots 2, 3, 6 and 7 and the East 45 feet lying immediately east of said Lots 6 and 7 in the Town of Chittenden in Sections 6 and 7, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois as set forth in Plat of Subdivision recorded on May 18, 1855 (Ante Fire)

Falling within the following described tract: the South 100 feet of the North 278.52 feet of the East 246.95 feet of the Southeast 1/4 of the Southeast 1/4 of Section 6, Township 40 North, Range 14 East of the Third Principal Meridian (except alleys and that part taken for widening of North Clark Street), in Cook County, Illinois.

Parcel 3:

Lots 1, 2, 3, 4 and 5 (except that part taken by or conveyed to the City of Chicago for Street Purposes) in Block 3 in Ashland Avenue and Clark Street Addition to Edgewater, being a Subdivision in parts of Section 5 and 6 Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Address: 94,600 square feet of vacant land along West Rosehill Drive and North Clark Street and West Edgewater Avenue and North Ashland Avenue.

Permanent Index Number(s): 14-06-406-011-0000
14-06-406-029-0000
14-06-406-043-0000
14-06-408-011-0000
14-06-408-033-0000
14-06-408-034-0000