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Cook County Recorder of Deeds  
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Property of Cook County Clerk's Office

## Mortgage and Security Agreement

This Instrument Prepared by and  
Upon Recordation Return to:

Levun, Goodman & Cohen, LLP  
500 Skokie Boulevard, Suite 650  
Northbrook, Illinois 60062

**BOX 333-CT1**

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## MORTGAGE AND SECURITY AGREEMENT

**KNOW ALL MEN BY THESE PRESENTS THAT:** this 28<sup>th</sup> day of October, 2003, Blue Island Plaza, LLC, an Illinois limited liability company, having an address at 4431 North Milwaukee Avenue, Chicago, Illinois 60630, ("Mortgagor"), for good and valuable consideration, received to Mortgagor's full satisfaction and to it or on its behalf paid by Investment Property Exchange Services, Inc., having its office at 171 North Clark Street, 14<sup>th</sup> Floor, Chicago, Illinois 60601 ("Mortgagee"), does give, grant, mortgage, assign and warrant unto the Mortgagee, the premises located in the City of Blue Island, County of Cook, and State of Illinois, and more fully described as follows:

LOTS 8, 9, 10 AND 11 IN BLOCK 3 (EXCEPT THAT PART TAKEN FOR ROAD PURPOSES) IN FAIRMONT, A SUBDIVISION OF LOTS 2 AND 3 OF ASSESSOR'S DIVISION OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 30, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN #s: 25-30-310-001-0000 and 25-30-310-042-0000

CKA: 12413 S. WESTERN AVE., BLUE ISLAND, ILLINOIS

**TOGETHER** with all rights, easements and reversionary interests therein now and/or hereafter created which are appurtenant to the premises:

**TOGETHER** with all and singular right, title and interest of Mortgagor, including any after acquired title or reversion, in and to all other ways, easements, streets, alleys, strips, gores, passages, water, water courses, riparian rights, rights, liberties and privileges thereof, if any, and in any way appertaining; and

**TOGETHER** with all buildings and improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration and repairs of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the property subject to this Mortgage and Security Agreement (the "Mortgage") immediately upon the delivery thereof to the premises, and all leases and security deposits relating to the premises and all fixtures and articles of personal property now or hereafter owned by Mortgagor and attached to or contained in and used in connection with the premises including but not limited to all furniture, furnishings, apparatus, machinery, motors, elevators, fittings, radiators, awnings, shades, blinds, office equipment, restaurant equipment, carpeting and other furnishings, and all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air-conditioning and sprinkler equipment and fixtures and appurtenances thereto; and all renewals or replacements thereof, or articles in substitution therefor, and proceeds from the sale thereof whether or not the same are or shall be attached to said building or buildings in any manner; it being mutually agreed that all the aforesaid property owned by Mortgagor and placed by it on the premises shall, so far as permitted by law, be deemed to be fixtures and a part of the realty, security for the said indebtedness and covered by this Mortgage, and as to the balance of the property aforesaid, this Mortgage is hereby deemed to be as well a Security Agreement for the purpose of creating hereby a security interest in said property, securing the said indebtedness, for the benefit of Mortgagee; and

**TOGETHER** with all awards and other compensation, including any severance or consequential damages, heretofore or hereafter to be made to the present and all subsequent owners of the property subject to this Mortgage for any taking by eminent domain, either permanent or temporary, of all or any part of the premises or any easement or appurtenance thereof, including any change in grade of streets, which said awards and compensation are hereby assigned to Mortgagee, and Mortgagor hereby appoints Mortgagee its Attorney-in-Fact, coupled with an interest, and authorizes, directs and empowers such Attorney in the event Mortgagor is in default hereunder, at the option of the Attorney, on behalf of Mortgagor or Mortgagor's heirs, personal representatives, successors or assigns to adjust or compromise the claim for any such award and to collect and receive the proceeds thereof, to give proper receipts and acquittances therefor and, after deducting expenses of collection, to apply the net proceeds without penalty or premium as a credit upon any portion, as selected by Mortgagee, of the indebtedness secured hereby, notwithstanding the fact that the amount owing thereon may not then be due and payable or that the indebtedness is otherwise adequately secured, but if Mortgagor is not in default hereunder, Mortgagor shall have the right to adjust,

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compromise and settle such claim subject to the prior written approval of Mortgagee, which approval shall not be unreasonably withheld or delayed.

The property hereinabove mentioned is hereinafter referred to as the "Premises" to the extent that the same is realty, and as the "Collateral" to the extent that the same is personalty. The Premises and the Collateral are collectively referred to herein as the "Mortgaged Property," except where the Premises and Collateral are specifically referred to.

**TO HAVE AND TO HOLD** the above described Mortgaged Property, with the appurtenances thereunto belonging, unto Mortgagee, its successors and assigns, forever, against all lawful claims and demands whatsoever and Mortgagor does hereby covenant with Mortgagee, its successors and assigns, that at and until the ensembling of these presents, Mortgagor is well seized of the Mortgaged Property and has good right to mortgage and convey the same in manner and form as above written; and that Mortgagor will warrant and defend said estate, with the appurtenances thereunto belonging to Mortgagee, its successors and assigns, forever against all lawful claims and demands whatsoever; that the same are free and clear of all liens and encumbrances except the Permitted Encumbrances, and that this Mortgage is a first and prior lien on the Mortgaged Property and Mortgagor will execute, acknowledge and deliver all necessary assurances unto Mortgagee of the title to all and singular the Mortgaged Property hereby conveyed and intended so to be, or which Mortgagor may be or shall become hereafter bound so to do.

**THE CONDITION OF THIS MORTGAGE IS SUCH THAT** Whereas, Mortgagor has executed and delivered this Mortgage for the purpose of securing the performance of the covenants and agreements contained herein, and to secure the payment when due of:

- a. the principal, interest and any late charges of a certain Purchase Money Promissory Note of even date herewith in the original principal amount of Two Million Two Hundred Four Thousand Four Hundred Forty-Nine and 91/100 Dollars (\$2,204,449.91) (the "Note") payable according to its terms and maturing on January 28, 2004;
- b. all sums expended or advanced by Mortgagee pursuant to any term or provision of this Mortgage;
- c. all unpaid advances of Mortgagee with respect to the Mortgaged Property for the payment of taxes, assessments, insurance premiums, or costs incurred by Mortgagee in the protection of the Mortgaged Property; and
- d. all future advances made hereunder.

**AND WHEREAS**, Mortgagor further covenants and agrees as follows:

1. To cause the prompt payment of the principal of and interest of the indebtedness evidenced by the Note at the time and in the manner herein and in the Note provided.
2. To keep the Mortgaged Property free from statutory liens of every kind; to pay, before delinquency and before any penalty for nonpayment attaches thereto, all taxes, assessments, water rents and charges, sewer rents and charges and other governmental or municipal or public dues, charges, fines or impositions which are or may be levied against the Mortgaged Property or any part thereof, and in the event of the passage after the date of this Mortgage of any law of the State of Illinois deducting from the value of land for the purposes of taxation the amount of any lien thereon, or changing in any way the laws for the taxation of mortgages or debts secured by mortgages for state or local purposes, or the manner of the collection of any such taxes as to impose a tax upon or otherwise to affect this Mortgage, or upon the rendition by any court of competent jurisdiction of a decision that any undertaking by Mortgagor as in this Paragraph provided is legally inoperative, then in any such event, the indebtedness secured hereby, at the option of Mortgagee and upon five (5) days' prior written notice, shall become immediately due and payable; provided, however, said option and right shall be unavailing and the Note and this Mortgage shall remain in effect if Mortgagor lawfully may pay all such taxes, assessments and charges, including interest and penalties thereon, to or for Mortgagee and does in fact pay same when so payable. Any assessment

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which has been made payable in installments at the application of Mortgagor, fee owner or any lessee or sublessee of the Mortgaged Property shall, nevertheless, for the purposes of this Paragraph, be deemed due and payable in its entirety on the day the first installment becomes due or payable or a lien on any portion of the Mortgaged Property.

3. To keep the improvements now existing or hereafter erected on the Mortgaged Property insured as may be required from time to time by Mortgagee against loss or damage by, or abatement of rental income resulting from fire, flood (if the Mortgaged Property is now or hereafter designated as being within an area having special flood or mud slide hazards by the Secretary of Housing and Urban Affairs, or other similar governmental department or agency, and such insurance is available pursuant to such designation), perils included under extended coverage and such other hazards, casualties and contingencies including, but not limited to: fire and extended coverage in an amount not less than the full replacement cost, exclusive of excavations, foundations and footings, of the improvements located on the Premises; business interruption or rental value insurance insuring against any abatement of rent and/or other payments or failure to perform any other duties or obligations required pursuant to leases and rental contracts relating to the Premises, resulting from fire or other casualty, for a period of not less than twelve (12) months; flood insurance in an amount equal to the full replacement cost of the Mortgaged Property if the Mortgaged Property is in a special flood or mud slide hazard area as provided hereunder; comprehensive public liability insurance on an "occurrence basis" against claims for bodily injury, or property damage occurring on, in or about the Premises and the sidewalks and passageways, such insurance to afford immediate minimum protection to a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence and not less than Two Million Dollars (\$2,000,000) in the aggregate; and such other insurance, and in such amounts, as may from time to time be required by Mortgagee against the same or other hazards and risks insured against by persons operating like properties in the locality of the Premises; all such insurance to be in amounts and for such periods as reasonably may be required by Mortgagee and Mortgagor shall pay promptly when due any premiums on such insurance. The policies of property, flood insurance and business interruption or rental value insurance shall have attached thereto a lender's loss payable endorsement for the benefit of Mortgagee in form satisfactory to Mortgagee. The policy of public liability insurance shall be the Commercial General Liability Form, Coverage A, B and C, and shall have attached thereto an endorsement naming Mortgagee as an additional insured as its interests may appear in form satisfactory to Mortgagee. All such policies shall include a replacement cost coverage endorsement, shall at all times be in an amount sufficient to prevent application of any co-insurance provisions, and shall be in a Special Form policy acceptable to Mortgagee and during any reconstruction or remodeling or fixturing shall be in the builder's risk form or shall contain a builder's risk endorsement during any period in which construction, reconstruction, remodeling or fixturing is in progress on the Premises. All such insurance shall be carried in companies having a Best's Key Rating Guide, Property-Casualty, rating of A or better and a size class rating of VII or larger, and shall be in form and in amounts satisfactory to Mortgagee. All policies of insurance as set forth above shall contain standard mortgagee clauses naming Mortgagee as "first mortgagee" as its interest may appear without contribution, pursuant to which the insurer agrees that any loss shall be payable in accordance with the terms of such policy notwithstanding any act of negligence of Mortgagor which might otherwise result in forfeiture of said insurance and further that the insurer waives all rights of set-off, counterclaim or deductions against Mortgagee. The original policies or copies thereof, certified by an authorized insurance agent, and renewals thereof, together with an original certificate of insurance for each such policy, shall be deposited with and held by Mortgagee, together with evidence of payment of the premium thereon, and have attached thereto a standard non-contributing mortgage clause (in favor of and entitling Mortgagee to collect any and all proceeds payable under all such insurance), as well as a standard waiver of subrogation endorsement, all to be in form and amounts acceptable to Mortgagee. The policies must provide that the insurer shall give to Mortgagee at least thirty (30) days' prior written notice prior to the expiration of each such policy, before materially amending (including but not limited to any reduction in the scope or limits of coverage) or terminating any such policy. Mortgagor shall not carry separate insurance, concurrent in kind or form and contributing, in the event of loss, with any insurance requirement hereunder. In the event of a change in ownership or of occupancy of the Premises, immediate notice thereof by mail shall be delivered to all insurers and, in the event of loss, Mortgagor will give immediate notice to Mortgagee. In addition, at least twenty (20) days prior to the expiration of each policy herein referenced, Mortgagor shall furnish Mortgagee with evidence satisfactory to Mortgagee of the payment of premium and the renewal or replacement of a policy continuing all insurance in force as provided herein. Mortgagor may provide any of the insurance required hereunder through blanket policies carried by Mortgagor covering more than one location.

4. That no building or other improvement on the Mortgaged Property shall be structurally or materially altered, removed or demolished, nor shall any fixtures or appliances on, in or about the said buildings or



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improvements be severed, removed, sold or mortgaged, without the written consent of Mortgagee and, in the event of the demolition or destruction in whole or in part of the Mortgaged Property, the same shall be restored promptly to the condition as existed prior to such demolition or destruction, free from any encumbrances thereon or reservation of title thereto; not to permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or any part thereof; to keep and maintain the Mortgaged Property and every part thereof with buildings, fixtures, machinery and appurtenances in good repair and condition; to effect such repairs as Mortgagee may reasonably require and from time to time make all needful and proper replacements so that said buildings, fixtures, machinery and appurtenances will, at all times, be in good condition, fit and proper for the respective purposes for which they were erected or installed; to comply with all statutes, orders, requirements or decrees relating to the Mortgaged Property by any Federal, state or Municipal authority; to observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including but not limited to zoning variances, special exceptions and non-conforming uses), privileges, franchises and concessions which are applicable to the Mortgaged Property, or which have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Mortgaged Property; to obtain and keep in full force and effect all necessary governmental and municipal approvals as may be necessary from time to time to comply with all environmental, ecological and other requirements relating to the Mortgaged Property with any and all conditions attached to the insurance and maintenance thereof being subject to prior written approval by Mortgagee; and to permit Mortgagee or its agents, at all reasonable times, to enter upon and inspect the Mortgaged Property.

5. That Mortgagor will not voluntarily create or permit to be created or filed against the Mortgaged Property, any encumbrance, mortgage lien or other lien or liens inferior or superior to the lien of this Mortgage, without the prior written consent of Mortgagee, which consent may be withheld for any reason or for no reason. Further, that Mortgagor will keep and maintain the same free from all claims of all persons supplying labor, materials or services which will enter into or otherwise contribute to the construction of any and all buildings now being erected or which hereafter may be erected on the Mortgaged Property notwithstanding by whom such labor or materials may have been contracted, or in the event of the filing of such a lien, Mortgagor will have said lien discharged or bonded off within thirty (30) days of such filing, and on the failure of Mortgagor to perform these covenants, or any part thereof, thereupon the principal and all arrears of interest shall, at the option of Mortgagee, or any holder of the Note secured by this Mortgage, become due and payable, anything contained herein to the contrary notwithstanding.

6. That if at any time the United States Government, or any other governmental subdivision shall require Internal Revenue or other documentary stamps or other charges hereon or on the Note secured by this Mortgage, then the said indebtedness secured hereby shall be and become due and payable at the election of Mortgagee thirty (30) days after the mailing of notice of such election to Mortgagor; provided, however, said election and the right to elect shall be unavailing and this Mortgage and the Note shall be and remain in effect, if Mortgagor lawfully may pay for such stamps or other charges to or for Mortgagee and does in fact pay, when payable, for all such stamps or other charges. Mortgagor further agrees to deliver to Mortgagee, at any time, upon demand, evidence as may be required by any government agency having jurisdiction in order to determine whether the obligation secured hereby is subject to or exempt from any such requirement.

7. To save Mortgagee harmless from all costs and expenses, including reasonable attorneys' fees, if and to the extent permitted by law, and costs of a title search, continuation of abstract and preparation of survey, incurred by reason of any action, suit, proceeding, hearing, motion or application before any court or administrative body (excepting an action to foreclose or to collect the debt secured hereby) and incurred in connection with any extra judicial collection procedure, in and to which Mortgagee may be or become a part by reason thereof, including but not limited to condemnation, bankruptcy, probate and administration proceedings, as well as any other of the foregoing wherein proof of claims are by law required to be filed or in which it becomes necessary to defend or uphold the terms of and the lien created by this Mortgage, and all money paid or expended by Mortgagee in that regard, together with interest thereon from date of such payment at the rate set forth in said Note or at the legal rate, whichever is higher, shall be so much additional indebtedness secured hereby and shall be immediately upon demand due and payable by Mortgagor.

8. That Mortgagor will give Mortgagee immediate notice of the actual or threatened commencement of any proceedings under eminent domain affecting all or any part of the Mortgaged Property or any easement therein or appurtenance hereof, including change in grade of streets, and will deliver to Mortgagee copies of any and

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all papers served in connection with any such proceedings. Mortgagor further covenants and agrees to make, execute and deliver to Mortgagee, at any time or times upon request, free, clear and discharged of any encumbrances of any kind whatsoever, any and all further assignments and/or instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter to be made to Mortgagor (including the assignment of any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for payment thereof) for any taking, either permanent or temporary under any such proceeding.

9. That Mortgagor, within ten (10) days upon request by mail, will furnish a written statement duly acknowledged, of the amount due upon this Mortgage and whether any offset or defenses exist against the mortgaged debt, and any other information which might reasonably be requested in connection with the sale of the loan by Mortgagee to any third party.

10. That upon default by Mortgagor in performance of any of the terms, covenants or conditions herein or in the Note, Mortgagee may, at its option and whether electing to declare the whole indebtedness due and payable or not, perform the same without waiver of any other remedy, and any amount paid or advanced by Mortgagee in connection therewith, or any other costs, charges or expenses incurred in the protection of the Mortgaged Property and the maintenance of this lien with interest thereon at the rate of nine and one-half percent (9.5%) per annum in excess of the then interest rate under the Note (the "Default Rate") shall be repayable by Mortgagor upon demand, shall be a lien upon the Mortgaged Property prior to any right or title to interest in or claim thereon attaching or accruing subsequent to the lien of this Mortgage and shall be deemed to be included in and secured by this Mortgage.

11. Mortgagee, in making any payment herein is hereby authorized, in the place and stead of Mortgagor, relating to taxes, assessments, water rents and charges, sewer rents and charges and other governmental or municipal charges, fines, impositions or liens asserted against the Mortgaged Property may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of the bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim or charge, Mortgagee, acting reasonably, shall be the sole judge of the legality or validity of same, or otherwise relating to any purpose herein and hereby authorized, but not enumerated in this Paragraph, Mortgagee may do so whenever, in its judgment and discretion, such advance or advances shall seem necessary or desirable to protect the full security intended to be created by this instrument.

12. That upon any default by Mortgagor in the payment of the indebtedness secured hereby, or in the performance or observance of any other term, covenant or condition in the Note, or upon any default by Mortgagor in the performance or observance of any term, covenant or condition in this Mortgage, Assignment of Rents and Leases of even date herewith from Mortgagor to Mortgagee (the "Assignment of Rents") or any other instrument securing the indebtedness evidenced by the Note, then, in any of said events, at the option of Mortgagee, the whole indebtedness secured hereby shall become immediately due and payable, anything hereinbefore or in the Note contained to the contrary notwithstanding and thereupon or at any time during the existence of any such default, Mortgagee may proceed to foreclose (including sale under power of sale hereunder) this Mortgage or otherwise pursue any other right or remedy herein or by law provided. Mortgagor may not sell, transfer, assign, amend, modify, terminate or replace any lease relating to the Property, nor waive any rights under such leases without the prior written consent of Mortgagee.

13. Upon any such default being made and after the period, if any, for curing such default has expired, Mortgagee, its legal representatives, successors and assigns are hereby **AUTHORIZED AND EMPOWERED** to exercise any right or remedy available under this Mortgage, at law and in equity, including, but not limited to, the right, if and to the extent permitted by law, to sell or cause to be sold at public auction the Mortgaged Property and to convey same by the execution and delivery to the purchaser at such sale of good and sufficient deeds of conveyance in law, pursuant to the statute in such case made and provided, and out of the proceeds of such sale to retain the moneys due under the terms of this Mortgage, the costs and charges of such sale and also the attorneys' fee, if and to the extent permitted by law, rendering the surplus moneys (if any) to Mortgagor.

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14. That Mortgagee in any suit to foreclose this Mortgage shall be entitled to the appointment of a receiver of the rents, issues and profits of the Mortgaged Property as a matter of right and without notice, with power to collect the rents, issues and profits of the Mortgaged Property due and becoming due during the pendency of such foreclosure suit to and including the date of confirmation of the sale under such foreclosure and during the redemption period, if any, after such confirmation, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by this Mortgage without regard to the value of the Mortgaged Property or the solvency of any person or persons liable for the payment of the mortgage indebtedness and regardless of whether Mortgagee has an adequate remedy at law. Mortgagor for Mortgagee and any subsequent owner hereby waives any and all defenses to the application for a receiver as above and hereby specifically consents to such appointment without notice but nothing herein contained is to be construed to deprive the holder of this Mortgage of any other right or remedy or privilege it may now have under the law to have a receiver appointed. The provision for the appointment of a receiver and the assignment of such rents, issues and profits is made an express condition upon which the loan hereby secured is made. The rights and remedies herein provided for shall be deemed to be cumulative and in addition to and not in limitation of those provided by law and if there were no receiver so appointed, Mortgagee itself may proceed to collect the rents, issues and profits from the Mortgaged Property. From any said rents, issues and profits collected by the receiver or by Mortgagee prior to a foreclosure sale shall be deducted the cost of collection thereof, including but not limited to real estate commissions, receiver's fee and the fees of his attorney, if any, and Mortgagee's attorney's fees, if permitted by law, and court costs; the remainder shall be applied against the indebtedness hereby secured. In the event the rental and other income is not adequate to pay all tax and other expenses of operation, Mortgagee may, but is not obligated to, advance to any receiver the amounts necessary to operate, maintain and repair, if necessary, the Mortgaged Property, and any such amounts so advanced, together with interest thereon at the rate in effect hereunder in the event of default from and after the date of advancement, shall be secured by this Mortgage and have the same priority of collection as the principal indebtedness secured hereby.

15. That in case of foreclosure of this Mortgage in any court of law or equity, whether or not any order or decree shall have been entered therein, and, to the extent permitted by law, a reasonable sum as aforesaid shall be allowed for reasonable attorneys' fees of the plaintiff in such proceeding, for stenographers' fees and for all moneys expended for documentary evidence and the cost of a complete abstract of title and title report for the purpose of such foreclosure, such sums to be secured by the lien hereunder; and, to the extent permitted by law, there shall be included in any judgment or decree foreclosing this Mortgage and there shall be paid out of said rents, issues and profits or out of the proceeds of any sale made in pursuance of any such judgment or decree: (a) all costs and expenses of such suit or suits, advertising, sale, and conveyance, including attorneys', solicitors' and stenographers' fees, if permitted by law, outlays for documentary evidence and the cost of said abstract, examination of title and title report; (b) all moneys advanced by Mortgagee, if any, for the purpose authorized in this Mortgage with interest as herein provided; (c) all the accrued interest remaining unpaid on the Note; (d) all the said principal money remaining unpaid. The surplus of the proceeds, if any, shall be paid to Mortgagor on reasonable request, or as the court may direct.

16. That in case of any foreclosure sale of the Mortgaged Property, the same may be sold in one or more parcels at the option of Mortgagee.

17. That the failure of Mortgagee to exercise the option for acceleration of maturity and/or foreclosure (including sale under power of sale hereunder) following any default as aforesaid or to exercise any other option granted to Mortgagee hereunder in any one or more instances, or the acceptance by Mortgagee of partial payments hereunder shall not constitute a waiver of any such default, nor extend or affect the grace period, if any, but such option shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Mortgagee may, at the option of Mortgagee, be rescinded by written acknowledgment to that effect by Mortgagee, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity, or extend or affect the grace period, if any.

18. That should the proceeds of the loan made by Mortgagee to Mortgagor, the repayment of which is evidenced by the Note, or any part thereof, or any amount paid out or advanced by Mortgagee, to be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon the Mortgaged Property or any part thereof, then Mortgagee shall be subrogated to such other liens or encumbrances and to any additional security held by the holder thereof and shall have the benefit of the priority of all of the same.



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19. That Mortgagee, without notice and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens thereon, may release any part of the security described herein or any person liable for any indebtedness secured hereby, without in any way affecting the priority of the lien of this Mortgage to the full extent of the indebtedness remaining unpaid hereunder upon any part of the security not expressly released, and may agree with any party obligated on said indebtedness or having any interest in the security described herein to extend the time for payment of any part or all of the indebtedness secured hereby. Such agreement shall not, in any way, release or impair the lien hereof, but shall extend the lien hereof as against the title of all parties having any interest in said security which interest is subject to said lien.

20. In the event Mortgagee: (a) releases, as aforesaid, any part of the security described herein or any person liable for any indebtedness secured hereby, (b) grants an extension of time for any payments of the debt secured hereby, (c) takes other or additional security for the payment thereof, or (d) waives or fails to exercise any right granted herein or in the Note; and no such act or omission shall release Mortgagor, subsequent purchasers of the Mortgaged Property or any part thereof, or makers or sureties of this Mortgage or of the Note, under any covenant of this Mortgage or of the Note, or preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in the event of any other default then made or any subsequent default.

21. That to the extent permitted by law with respect to the debt secured hereby or any renewals or extensions thereof, Mortgagor waives and renounces any and all homestead and exemption rights, as well as the benefit of all valuation and appraisal privileges, and also redemption and moratoriums under or by virtue of the constitution and laws of the State of Illinois, of any other state or of the United States, now existing or hereafter enacted. Also, Mortgagor hereby waives, in the event of foreclosure of this Mortgage, any right, legal, equitable or otherwise, with respect to marshalling of assets hereunder which could dictate the application of any proceeds from any Sheriff's Sale or other execution against the Mortgaged Property other than the application of any such proceeds to the Note; and Mortgagor hereby agrees and consents if at any such proceeds may be applied at the sole and absolute discretion of the then holder of the Note to reduce the amounts due on the Note or under the terms of this Mortgage.

22. That this Mortgage is hereby deemed to be as well a Security Agreement for the purpose of creating hereby a security interest securing the indebtedness secured hereby in and to the Collateral. Without derogating any of the provisions of this Mortgage, Mortgagor by this Mortgage:

a. grants to Mortgagee a security interest in all of the Mortgagor's right, title and interest in and to all Collateral, including, but not limited to, the items referred to above, together with all additions, accessions and substitutions and all similar property hereafter acquired and used or obtained for use on, or in connection with the Mortgaged Property. The proceeds of said Collateral are intended to be secured hereby; however, such intent shall never constitute an express or implied consent on the part of the Mortgagee to the sale of any or all Mortgaged Property;

b. agrees that the security interest hereby granted by this Mortgage shall secure the payment of the indebtedness specifically described and shall also secure payment of any future debt or advancement owing by Mortgagor to Mortgagee with respect to the Mortgaged Property;

c. agrees not to sell, convey, mortgage or grant a security interest in, or otherwise dispose of or encumber, any of the Collateral, the Mortgaged Property or any of the Mortgagee's right, title or interest therein without first securing Mortgagee's written consent; and Mortgagee may, at its sole option, require Mortgagor to apply the proceeds from the disposition of Collateral in reduction of the indebtedness secured hereby;

d. agrees that if Mortgagor's rights in the Collateral are voluntarily or involuntarily transferred, whether by sale, creation of a security interest, attachment, levy, garnishment or other judicial process, without the written consent of Mortgagee, such transfer constitutes a default by the Mortgagor under the terms of this Mortgage;



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e. agrees that upon or after the occurrence of any event of default hereunder, Mortgagee may, with or without notice to Mortgagor, exercise its rights to declare all indebtedness secured by the security interest created hereby immediately due and payable, in which case Mortgagee shall have all rights and remedies granted by law and more particularly the Uniform Commercial Code as enacted in Illinois, including, but not limited to, the right to take possession of the Collateral, and for this purpose may enter upon any premises on which any or all of the Collateral is situated without being deemed guilty of trespass and without liability for damages thereby occasioned, and take possession of and operate said Collateral or remove it therefrom. Mortgagee shall have the further right to take any action it deems necessary, appropriate or desirable, at its option and in its discretion, to repair, refurbish or otherwise prepare the Collateral for sale, lease or other use or disposition, and to sell at public or private sales or otherwise dispose of, lease or utilize the Collateral and any part thereof in any manner authorized or permitted by law and to apply the proceeds thereof toward payment of any costs and expenses, to the extent permitted by law, thereby incurred by Mortgagee and toward payment of Mortgagor's obligations including the Note and all other indebtedness described in this Mortgage, in such order and manner as Mortgagee may elect. To the extent permitted by law, Mortgagor expressly waives any notice of sale or other disposition of the Collateral and any other rights or remedies of a debtor or formalities prescribed by law relative to a sale or disposition of the Collateral or to exercise any other right or remedy existing after default hereunder; and to the extent any notice is required and cannot be waived Mortgagor agrees that if such notice is deposited for mailing, postage prepaid, certified mail or registered mail, to the Mortgagor at the address designated in the first page of this Mortgage at least fifteen (15) days before the time of sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirements for giving of said notice;

f. agrees, to the extent permitted by law and without limiting any rights and privileges herein granted to Mortgagee, that Mortgagee may dispose of any or all of the Collateral at the same time and place upon giving the same notice provided for in this Mortgage, and in the same manner as the non-judicial foreclosure sale provided under the terms and conditions of this Mortgage; and

g. authorizes Mortgagee to file, in the jurisdiction where this Mortgage will be given effect, financing statements including renewal or confirmation thereof, covering the Collateral; and at the request of Mortgagee, Mortgagor will join Mortgagee in executing one or more such financing statements including renewal or confirmation thereof, pursuant to the Uniform Commercial Code as enacted in Illinois in a form satisfactory to Mortgagee, and will pay the cost of filing the same in all public offices at any time and from time to time wherever Mortgagee deems filing or recording of any financing statements including renewal or confirmation thereof or of this instrument to be desirable or necessary.

23. It shall be an event of default hereunder if Mortgagor or any guarantor of any part of the indebtedness evidenced by the Note or any other obligation of Mortgagor, shall file a voluntary petition in bankruptcy or be adjudicated a bankrupt or insolvent, or Mortgagor or any such guarantor shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future Federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors or protection for creditors, or Mortgagor seeking or consenting to or acquiescing in the appointment of any trustee, receiver or liquidator of Mortgagor or guarantor, as the case may be, or of all or any substantial part of the Mortgaged Property or any or all of the rents, revenues, issues, earnings, profits or income thereof or the making of any general assignment for the benefit of creditors, or the admission in writing of his inability to pay his debts generally as they become due, or the entry by a court of competent jurisdiction of any order, judgment or decree approving a petition filed against Mortgagor seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future Federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors or protection for creditors, or the appointment of any trustee, receiver, or liquidator of Mortgagor or guarantor, as the case may be, or of all or any substantial part of the Mortgaged Property or of any or all of the rents, revenues, issues, earnings, profits or income thereof without the consent or acquiescence of Mortgagee.

24. That the Mortgaged Property being located in the State of Illinois, this Mortgage and the rights and indebtedness hereby secured shall, without regard to the place of contract or payment, be construed and enforced according to the laws of said state. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can

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be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable.

25. Any notice or communication given under this Mortgage or under the Note shall be in writing and shall be given by personal delivery, by registered or certified mail, return receipt requested, postage prepaid, or by nationally recognized overnight express service, addressed as follows:

To Mortgagor: Blue Island Plaza, LLC  
4431 North Milwaukee Avenue  
Chicago, Illinois 60630

To Mortgagee: Mark Triffler, Trustee  
12413 South Western Avenue  
Blue Island, Illinois 60406

with a copy to: Gary B. Shulman, Esq.  
Levun, Goodman & Cohen, LLP  
500 Skokie Boulevard, Suite 650  
Northbrook, Illinois 60062

or to such other address as either party may designate by notice given in accordance herewith. Any notice given in the manner set forth herein shall be deemed received as follows: (i) if personally delivered, on the date delivered; (ii) if mailed through the United States Postal Service by registered or certified mail, return receipt requested, postage prepaid, three (3) days after the date of deposit in the mail; (iii) if sent by nationally recognized overnight express service, one (1) day after deposit with such service.

26. That all the covenants hereof shall run with the land.

27. Mortgagor shall not use or occupy or permit the Mortgaged Property to be occupied, nor do or permit anything to be done in or on the Mortgaged Property, in whole or in part which will cause or be apt to cause structural injury to the Mortgaged Property, or will constitute a public or private nuisance.

28. Mortgagor hereby further expressly represents and warrants to Mortgagee that there has not been committed by Mortgagor or any other person involved with the Mortgaged Property any act or omission affording the federal government or any state or local government the right of forfeiture as against the Mortgaged Property or any part thereof or any monies paid in performance of its obligations under the Note or under any of the other documents evidencing the indebtedness, and Mortgagor hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right of forfeiture. In furtherance thereof, Mortgagor hereby indemnifies Mortgagee and agrees to defend and hold Mortgagee harmless from and against any loss, damage or injury by reason of the breach of the covenants and agreements or the warranties and representations set forth in the preceding sentence. Without limiting the generality of the foregoing, the filing of formal charges or the commencement of proceedings against Mortgagor, Mortgagee or all or any part of the Mortgaged Property under any federal or state law for which forfeiture of the Mortgaged Property or any part thereof or of any monies paid in performance of Mortgagor's obligations under the Note or this Mortgage is a potential result shall, at the election of the Mortgagee, constitute an event of default hereunder without notice or opportunity to cure. In the event of a forfeiture, the non-recourse provisions, if any, in the Note and in the Mortgage shall be deemed deleted and of no force and effect. In such event, Mortgagee shall have all rights against Mortgagor as provided herein, and at law and in equity.

29. Any installment of principal and interest not paid when due, or following the Maturity Date (as defined in the Note) of the Note, the outstanding principal balance of the Note, and any sums advanced by Mortgagee due to the default of Mortgagor, including but not limited to, payment of taxes, water and sewage charges, assessments, insurance premiums, and attorney's fees incurred by Mortgagee in enforcing the obligations of Mortgagor under the Note and this Mortgage, shall bear interest at the Default Rate until the obligation or such sums advanced are paid in full, including the period following entry of any judgment.

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30. The failure of Mortgagor (i) to pay, within ten (10) days following written notice from Mortgagee any monetary payment hereunder of any kind whatsoever but no notice shall be required for failure to pay required periodic principal and interest payments or (ii) to perform any other term, covenant or condition of the Note or this Mortgage except those defined as being immediate events of default, within thirty (30) days following written notice from Mortgagee, shall constitute an event of default hereunder and under the Note. Mortgagor shall promptly and diligently pursue the cure of such non-monetary default, and if Mortgagor cannot cure such nonmonetary default within such thirty (30) day period, Mortgagee shall allow such additional time as shall be reasonably necessary to cure such nonmonetary default so long as Mortgagor shall continue to diligently pursue the cure of such nonmonetary default. If an event of default is defined herein as being an immediate event of default, no notice or cure period shall be required with respect thereto. Notwithstanding anything to the contrary set forth herein, if Mortgagee shall have provided to Mortgagor any such notice of default (whether as to monetary or nonmonetary default) one (1) time during any calendar year, then no further notice or cure period shall be required with respect to any subsequent defaults within the same calendar year, either monetary or nonmonetary, and such default shall be an immediate event of default, and if Mortgagee shall have provided to Mortgagor any such notice of default (whether as to monetary or non-monetary default) two (2) times during the term hereof, then no further notice or cure period shall be required with respect to any subsequent defaults, either monetary or non-monetary, under this Mortgage, and such subsequent default shall be an immediate event of default hereunder or under the Note.

**PROVIDED, ALWAYS, NEVERTHELESS**, that if Mortgagor shall pay all of the indebtedness evidenced by the Note and fully keep and perform all of the terms, covenants and conditions to be kept and performed in the Note, and Mortgagor shall fully keep and perform all of the terms, covenants and conditions by Mortgagor to be kept and performed herein then this Mortgage shall be void and shall be released by Mortgagee, at the cost and expense of Mortgagor, and, in case of failure of Mortgagee to so release this Mortgage, all claim for statutory penalties and damages are hereby waived otherwise this Mortgage is to be and shall remain in full force and effect.

**IT IS SPECIFICALLY AGREED** that time is of the essence of this Mortgage and that the waiver of the rights and options, or obligations secured hereby, shall not at any time thereafter be held to be abandonment of such rights. Notice of the exercise of any right or option granted to Mortgagee herein, or in the Note secured hereby, is not required to be given.

**ALL OF THE COVENANTS**, agreements and waivers herein contained are joint and several and shall also bind, and the benefits and advantages thereof shall also inure to, the respective heirs, executors, administrators, successors and permitted assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders.

IN WITNESS WHEREOF, Mortgagor has signed this writing and caused it to be delivered.

SIGNED AND ACKNOWLEDGED  
(As to all Signatories):

Witnesses

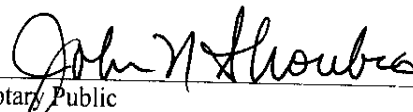
MORTGAGOR

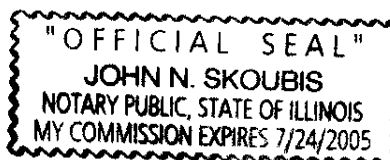
BLUE ISLAND PLAZA, LLC

By: 

Title: \_\_\_\_\_

SUBSCRIBED and SWORN to before me  
this 28 day of October, 2003.

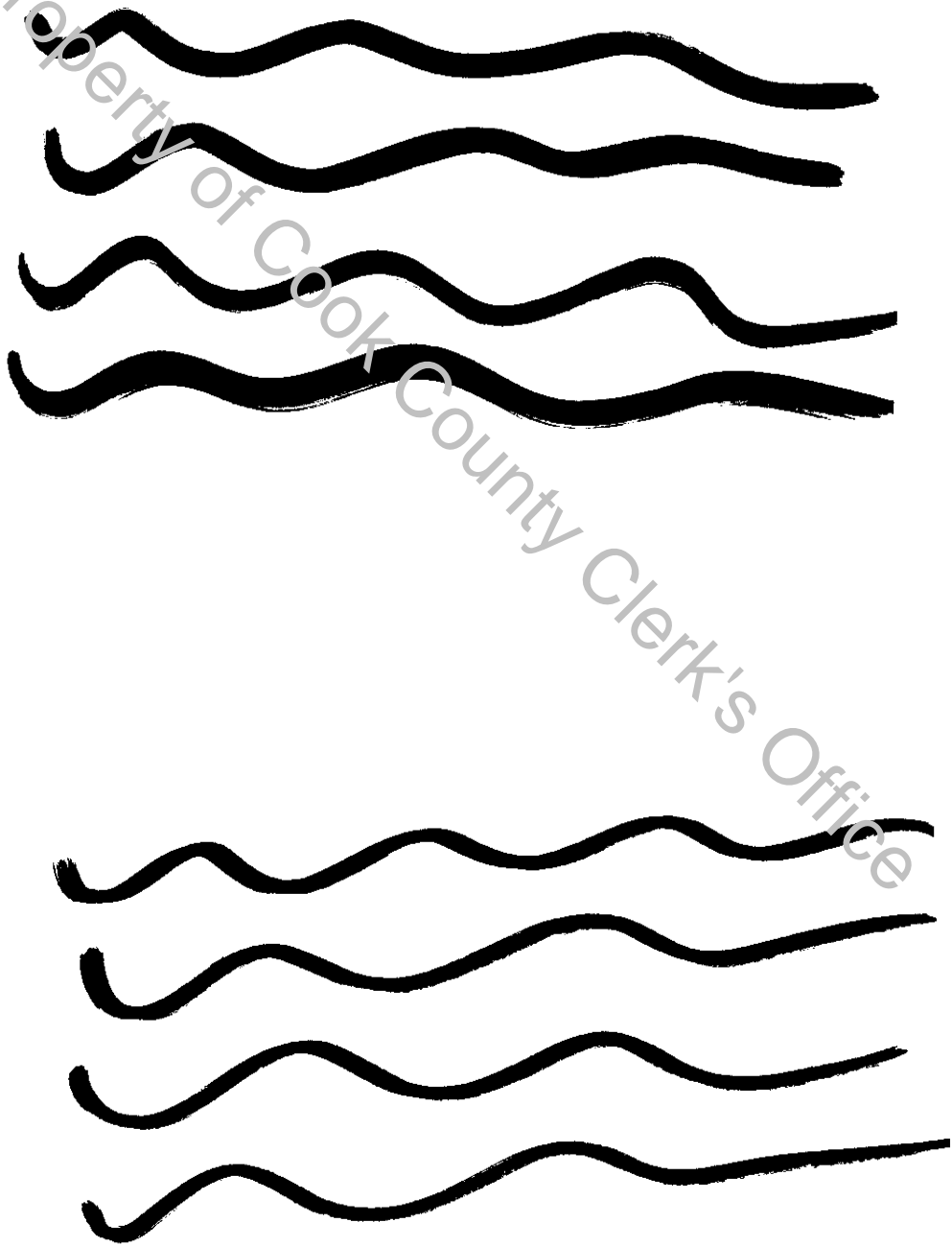
  
Notary Public



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The page contains four distinct groups of wavy redaction lines. Each group consists of four horizontal, wavy black lines that completely obscure the text underneath. The redactions are arranged in two vertical columns of two groups each. A diagonal watermark reading 'Property of Cook County Clerk's Office' is overlaid across the entire page.