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This instrument was prepared by
and, after recording, return to:
John F. Slade
Geneva Leasing Associates, Inc.
1525 Kautz Road
Suite 100
West Chicago, Illinois 60185



Doc#: 0333933189
Eugene "Gene" Moore Fee: \$72.00
Cook County Recorder of Deeds
Date: 12/05/2003 10:58 AM Pg: 1 of 25

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Permanent Real Estate Tax Index No.:
See **Exhibit A** attached

This SUBORDINATED MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT is subject and subordinate to that certain Mortgage and Security Agreement dated October 24, 2001, entered into between the Mortgagor and the Mortgagee identified herein, recorded on November 1, 2001, in the office of the County Recorder of Cook County, Illinois, Instrument No. 00113/2696 (the "Senior Mortgage").

SUBORDINATED MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT

THIS SUBORDINATED MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT ("Mortgage") made this 24th day of October, 2003, between:

**JUNEWAY SHERIDAN, L.L.C.
An Illinois Limited Liability Company
2610 West Division
Chicago, Illinois 60622**

("Mortgagor", also sometimes referred to as "Borrower"), and Geneva Leasing Associates, Inc. an Illinois corporation, having its principal office at 1525 Kautz Road, Suite 100, West Chicago, Illinois 60185, its participants, successors and assigns ("Mortgagee", also sometimes referred to as "Secured Party").

WITNESSETH:

The Mortgage is given to secure the payment of that certain Note (the "Note") issued by Mortgagor to the order of Mortgagee in the maximum principal amount of:

**Two Million Five Hundred Thousand and 00/100 Dollars
(\$2,500,000.00)**

with interest, due on or before **October 24, 2004**, and to secure the payment and performance of the

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Liabilities as defined herein and including the other indebtedness and the covenants herein contained.

1. **Liabilities.** For the purposes of the Loan Agreement (“Agreement”) entered into of even date herewith between Mortgagor, as Borrower, and Mortgagee, as Lender, this Mortgage (referred to in the Agreement as the “Mortgage”), the Note, any Guaranty or any mortgage or security agreement given by any Guarantor or other person, and the other Subordinated Loan Documents (as defined in the Agreement), “Liabilities” shall mean and include all of the following:

- A. any payment due under the Note and any future modifications, extensions or renewals of the Note;
- B. all indebtedness of any kind arising under, and all amounts of any kind which at any time become due or owing under or with respect to the Agreement, the Mortgage, or the other Subordinated Loan Documents;
- C. all of the covenants, obligations and agreements (and the truth of all representations and warranties whether contained in any Subordinated Loan Documents or in any related statement, certificate, document, affidavit or other related writing) in, under or pursuant to the Subordinated Loan Documents;
- D. all advances, including future advances, costs or expenses including, but not limited to, such advances, costs or expenses paid or incurred to protect any or all of the Collateral (as defined herein) or the collateral security defined or described in any of the Subordinated Loan Documents, perform any obligation of the Mortgagor or collect any amount owing under the Subordinated Loan Documents;
- E. any and all other liabilities, obligations, and indebtedness and damages, howsoever created, arising or evidenced, direct or indirect, absolute or contingent, matured or unmatured, whether Mortgagor is liable primarily or secondarily, jointly or severally, recourse or nonrecourse, now or hereafter existing or due or to become due, owing by the Mortgagor; and
- F. all costs of enforcement and collection of this Mortgage, the Agreement, the Note, any Guaranty, and any other Subordinated Loan Documents, or otherwise incurred by Mortgagee in connection with any of the Liabilities.

“Liabilities” shall also mean and include all future obligations and advances made by Lender to Borrower, however made (it being understood that Lender has no obligation to make any such further advances to Borrower pursuant to the Subordinated Loan Documents except as otherwise provided in the Agreement), up to a maximum amount of two hundred percent (200%) of the original principal amount of the Note, and such future obligations shall be secured by this Mortgage to the same extent as if made on the date of execution of this Mortgage. All capitalized terms not defined herein shall have the same meanings ascribed to them in the Agreement.

2. **Collateral.** To secure the timely payment and performance of the Liabilities, Mortgagor

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hereby mortgages, grants, assigns, remises, releases, transfers, warrants and conveys to Lender its interest in the following property (collectively referred to herein as the "Collateral"):

A. **Mortgage.** To secure the prompt performance and repayment of principal and payment of interest on the Note and all other Liabilities including any other indebtedness, obligations and covenants herein contained, Mortgagor hereby mortgages and warrants to Mortgagee the tract of land lying in the **County of Cook, State of Illinois**, legally described on Exhibit A hereto (the "Land") together with (all of the following, together with the Land, referred to herein as the "Mortgaged Premises"):

- (1) all of the buildings, structures and other improvements now standing or at any time thereafter constructed or placed upon the Land;
- (2) all building supplies and materials of any kind now or hereafter located on the Land suitable for incorporation into the improvements located on the Land or intended to be incorporated in such improvements;
- (3) all heating, plumbing and lighting apparatus, motors, engines and machinery, electrical equipment, incinerator apparatus, air conditioning equipment, water and gas apparatus, pipes, faucets, and all other fixtures of every description which are now or may hereafter be installed or placed in any building or improvement now or hereafter located on the Land;
- (4) all carpeting, draperies, furniture, furnishings, maintenance equipment and all other personal property of any kind whatsoever that may now or hereafter be located in or used in connection with the use, operation, and maintenance of any buildings or improvements now or hereafter located on the Land;
- (5) all additions, accessions, increases, parts, fittings, accessories, replacements, substitutions, betterments, repairs and proceeds to any and all of the foregoing; and
- (6) all privileges, hereditaments, easements, appurtenances, estates, rents, issues, profits, condemnation awards, insurance proceeds and other rights and interests now or hereafter belonging or in any way pertaining to the Land or to any building or improvement now or hereafter located thereon.

To have and to hold the Mortgaged Premises unto the Mortgagee, its successors and assigns forever. Provided, nevertheless, that this Mortgage is upon the express condition that if the principal of and interest on the Note and all other indebtedness including the Liabilities, shall be paid as and when due, and the Mortgagor shall also keep and perform all and singular the covenants herein contained on the part of the Mortgagor to be kept and performed, then this Mortgage and the estate hereby granted shall cease, become void and shall be released of record at the expense of the Mortgagor; otherwise this Mortgage shall

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remain in full force and effect.

The Mortgagor represents, warrants and covenants to and with the Mortgagee that it is lawfully seized of the Mortgaged Premises in fee simple and has good right and full power and authority under all applicable provisions of law to execute this Mortgage and to mortgage the Mortgaged Premises; that the Mortgaged Premises are free from all liens and encumbrances except those acceptable to Mortgagee as set forth in Exhibit B attached hereto (including the Senior Mortgage, the "Permitted Encumbrances"); that the Mortgagee shall quietly enjoy and possess the Mortgaged Premises; that the Mortgagor will warrant and defend the title to the Mortgaged Premises against all claims, whether now existing or hereafter arising, not hereinbefore expressly excepted; and that all buildings and improvements now or hereafter located on the Land are, or will be, located entirely within the boundaries of the Land. The covenants of this paragraph shall run with the land, survive foreclosure of this Mortgage and be valid against Mortgagor or those claiming by, under or through Mortgagor, from the date of recording this Mortgage.

- B. **Assignment of Leases and Rents.** Mortgagor hereby sells, assigns, transfers and sets over to Mortgagee, subject to the Senior Mortgage, all leases now or hereafter affecting the Mortgaged Premises and all rents, profits or other income or payments due or to become due (the "Rent Assignment") with respect to the Mortgaged Premises, whether before or after foreclosure or during any redemption period, including the period of deficiency in repayment, during any receivership created hereunder as additional security for the repayment of the Note and all other Liabilities including any other indebtedness and covenants herein contained, and Mortgagor hereby further agrees that Mortgagee shall have the power, pursuant to this Mortgage, irrevocably to manage, control and lease the Mortgaged Premises to the fullest extent permitted by law. Upon the occurrence of an Event of Default, Mortgagee shall have the remedies set forth herein. The covenants of this paragraph shall run with the land, and be valid against Mortgagor or those claiming by, under or through Mortgagor, from the date of recording this Mortgage.

Subject to the Senior Mortgage, this Rent Assignment shall continue to be operative during the period of any foreclosure or other action to enforce this Mortgage, during any receivership created hereunder and during the period of redemption including the period of deficiency in the repayment of the amounts secured hereby. Mortgagor acknowledges that this Rent Assignment is given as collateral security only and shall not be construed as obligating Mortgagee to perform any of the covenants or undertakings required to be performed by Mortgagor that are contained in any such assigned leases. In the event of surrender or taking possession of the Mortgaged Premises by Mortgagee upon Mortgagor's default, Mortgagee may collect the rents and income therefrom, rent or lease the Mortgaged Premises or any portion thereof upon such terms and conditions as Mortgagee may deem, in its sole discretion, advisable and apply all proceeds derived therefrom to the payment of principal and interest on the Note or to other costs and expenses relating to the Mortgaged Premises including, but not limited to taxes, insurance premiums, repairs and preservation costs and expenses.

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- C. **Other Property.** To secure the prompt performance and repayment of principal and payment of interest on the Note and all other Liabilities including any other indebtedness and the covenants herein contained, subject to the Senior Mortgage, Mortgagor hereby pledges, sells, assigns, transfers and grants to Mortgagee a security interest in the following items of property:
- (1) all building supplies and materials, equipment, fixtures and furnishings (including, but not limited to, all motors, engines, boilers, elevators, machinery, heating, plumbing, incinerator and lighting apparatus, electrical equipment, heating and air conditioning equipment, water and gas apparatus, pipes, faucets, and all other fixtures of every description, plumbing, communication devices, stoves, refrigerators, carpeting, shades, awnings, screens, storm sashes, blinds and equipment, drapes, furniture, furnishings, maintenance equipment, goods and other personal property) now or hereafter located or intended to be located on the Mortgaged Premises of whatsoever type or nature whether now owned or hereafter acquired by Mortgagor, including all additions, accessions, increases, parts, fittings, accessories, replacements, repairs, betterments and substitutions thereto and proceeds thereof;
 - (2) construction contracts, subcontracts, architectural contracts, engineering contracts, service contracts, maintenance contracts, management contracts, construction and other governmental consents, permits and licenses, surveys, plans, specifications, warranties, guaranties, rights of any developer of the Mortgaged Premises under any declaration recorded against the Mortgaged Premises, the right to use any names and all amendments, modifications, supplements, and addenda thereto, which Mortgagor has, may have, or may subsequently directly or indirectly enter into, obtain or acquire in connection with the improvement, ownership, operation or maintenance of the Mortgaged Premises;
 - (3) all inventory, accounts, contract rights, instruments, documents, "general intangibles" (as defined in the Illinois Uniform Commercial Code (the "Code")), chattel paper and products and proceeds (including insurance proceeds) thereof arising from or in any way related to the use, occupation or operation of Borrower's business regarding the Mortgaged Premises or lease of inventory or space contained in the Mortgaged Premises or the conduct of Borrower's business related thereto, in all of Borrower's related books, records (whether in binders, computer disc or tape or otherwise) and general intangibles (including, but not limited to, any license, permit, contract, approval, certificate of occupancy or operation that may be issued to or for the benefit of Borrower or with respect to the Mortgaged Premises), all rights of Mortgagor under the Approved Sales Contracts, and including any and all contracts for the purchase or option to purchase all or any interest in the Mortgaged Premises or other property adjacent to or

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relating to the operation thereof, including air rights, parking spaces and appurtenant rights, all intellectual property relating to the Mortgaged Premises or the Project, and products or proceeds thereof whether cash or non-cash (including insurance proceeds);

- (4) all of Mortgagor's "accounts" (as defined in the Code) now owned or hereafter created or acquired as relate to the Mortgaged Premises, including, but not limited to, all of the following now owned or hereafter created or acquired by Mortgagor: (a) accounts receivable, contract rights, book debts, notes, drafts, and other obligations or indebtedness owing to the Mortgagor arising from the sale, lease or exchange of goods or other property and/or the performance of services; (b) the Mortgagor's rights in, to and under all purchase orders for goods, services or other property; (c) the Mortgagor's rights to any goods, services or other property represented by any of the foregoing; (d) monies due to become due to the Mortgagor under all contracts for the sale, lease or exchange of goods or other property and/or the performance of services including the right to payment of any interest or finance charges in respect thereto (whether or not yet earned by performance on the part of the Mortgagor); (e) uncertificated securities, and (f) proceeds of any of the foregoing and all collateral security and guaranties of any kind given by any person or entity with respect to any of the foregoing; and all warranties, guarantees, permits and licenses in favor of Mortgagor with respect to the Mortgaged Premises; together with any and all depository accounts established by Mortgagor relating to the operation, management, sale or leasing of the Mortgaged Premises or any part thereof;
- (5) in the case of each of the foregoing, including items whether now owned or hereafter acquired by Mortgagor including, but not limited to, all additions, accessions, replacements, repairs, and substitutions thereto and proceeds thereof (including insurance and tort claims); and
- (6) all other items of Collateral described or referred to in the Agreement.

Mortgagor hereby covenants and agrees that upon the occurrence of an Event of Default hereunder, Mortgagee may, in addition to any equity, exercise all rights granted to it under the applicable version of the Code, or other applicable law. A carbon, photograph or other reproduction of this Mortgage may be filed as a financing statement.

3. **Security Agreement.** For the purposes of satisfying any requirements of law regarding this security agreement:

- A. The names and addresses of the Borrower and the Secured Party are stated on the first page of the Mortgage;
- B. The name and address of the record owner of the Mortgaged Premises is the same

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as the Mortgagor/Borrower;

- C. This document covers goods which are or are to become fixtures;
- D. Information concerning the security interest evidenced by this instrument may be obtained from the Secured Party at its address;
- E. Mortgagor shall execute and if directed by Mortgagee shall file financing statements and do whatever Mortgagee requests to perfect and continue the Mortgagee's interest in the Collateral or the Mortgaged Premises or to otherwise carry out the intent of the Mortgage, all at Mortgagor's expense. No financing statement is now or will be on file in any public office with respect to the Collateral except Mortgagee's pursuant to the Senior Mortgage and Mortgagee's pursuant to this Mortgage. Mortgagee is hereby appointed Mortgagor's attorney-in-fact to do, at Mortgagor's expense, all acts and things that Mortgagee may deem necessary to perfect and continue the security interest created by this Mortgage, and to obtain possession of and protect the Collateral; and
- F. Mortgagee shall have the right, power and authority in its own name or in the name of Mortgagor to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any of the Liabilities, including obligations or other amounts due or to become due under or with respect to the Mortgaged Premises or other Collateral or arising therefrom, with full power to settle, adjust or compromise any claim as fully as Mortgagor itself could do, and to endorse the name of Mortgagor on all commercial paper given in payment or part payment thereof, and in its discretion to file any claim or take any action or proceeding either in its own name or in the name of Mortgagor or otherwise, which Mortgagee may deem necessary or appropriate to collect any and all sums which may be or become due or payable under the Collateral, or which may be necessary or appropriate to protect and preserve the right, title and interest of Mortgagee in and to such sums or security. The power of attorney hereby created is a power coupled with an interest with full power of substitution.

4. **Covenants.** Mortgagor makes and includes in this Mortgage any covenants or other provisions set forth in **Illinois** law, or in any future **Illinois** law providing for a statutory form of real estate mortgage, and Mortgagor covenants with Mortgagee the following covenants:

- A. To warrant the title to the Mortgaged Premises and that Mortgagor is lawfully seized of said Mortgaged Premises and other Collateral in fee simple and has good right to convey the same, and the Mortgaged Premises and other Collateral are free from all encumbrances except the Senior Mortgage and the other Permitted Encumbrances.
- B. To pay the Liabilities when due.

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- C. To pay all taxes and assessments before penalty attaches for nonpayment.
- D. To maintain insurance as provided in the Agreement.
- E. To keep the Collateral in good repair and not to commit waste and to comply with the requirements of all applicable laws, ordinances and regulations and private restrictions.
- F. To perform and observe the terms, conditions, agreements, or covenants set forth in the Agreement.

5. **Additional Covenants and Agreements of Mortgagor.** Mortgagor makes the following additional covenants and agreements with Mortgagee:

- A. Subject to the provisions of the Senior Mortgage, any award of damages under condemnation or payment in lieu thereof or for injury to, or the taking of all or any part of the Collateral is hereby assigned to Mortgagee with authority to apply the proceeds on the Note. All such proceeds shall be applied first to accrued interest, if any, then to the principal amount outstanding on the Note, and then (provided Mortgagee continues to be obligated to make Advances under the Agreement) deposited in escrow with Mortgagee for application to Project costs in order to assure completion of the Project.
- B. Subject to the provisions of the Senior Mortgage, any proceeds of any insurance payable by reason of loss or damage to the Collateral is hereby assigned and shall be paid to Mortgagee with authority to apply the proceeds in accordance with the provisions of the Agreement.
- C. Mortgagor will hold Mortgagee harmless from all costs and expenses incurred in connection with establishing the priority of this Mortgage (which Mortgage shall be subject and subordinate to the Senior Mortgage and, the extent applicable, the other Permitted Encumbrances), and if Mortgagee becomes a party to any mechanic's lien suit or other proceeding relating to the Collateral or to this Mortgage, Mortgagor will reimburse Mortgagee for Mortgagee's reasonable attorneys' fees, costs and expenses in connection with said suit or proceeding.
- D. Other than under or in connection with the Senior Mortgage, Mortgagor will not sell, convey, mortgage, pledge, transfer, encumber, grant a security interest in or otherwise suffer or permit a transfer or encumbrance of all or any part of the Mortgaged Premises or the other Collateral (except for sale or trade-in of obsolete equipment and replacement with new equipment of comparable quality or sale of inventory in the ordinary course of business) or any interest therein except as may be expressly permitted (i) under the provisions of the Agreement or this Mortgage, or (ii) the lien of current taxes and assessments not in default; or (iii) with the prior written consent of Mortgagee.

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- E. Mortgagor will hold and apply tenants' security deposits, if any, as required by applicable law. Mortgagor will keep and perform the covenants of lessor under any leases covering the Mortgaged Premises and the covenants of a lessor and a licensor pursuant to applicable Law.
- F. Except for the Permitted Encumbrances, including the Senior Mortgage, Mortgagor has good title, free from all security interests, liens and other encumbrances, to all fixtures and equipment and other Collateral mortgaged and secured hereby. No other financing statements or mortgages covering the Collateral is on file or recorded in any office except for the filing of financing statements made in connection with the Senior Mortgage or the recordation of the Senior Mortgage.
- G. Mortgagor has made and will make no assignment (except to Mortgagee) of any leases or rentals from the Collateral except for any assignment made in connection with the Senior Mortgage.
- H. Mortgagor will promptly pay when due all charges for utilities or other services to the Mortgaged Premises and the other Collateral including, but not limited to, electricity, water, gas, telephone, sanitary sewer and trash and garbage removal, and upon request of Mortgagee, provide evidence of such payment.
- I. If Mortgagor fails to pay taxes or assessments, charges, prior liens or encumbrances, expense or attorneys' fees as specified herein, the Mortgagee, for itself or its assigns, may pay such taxes, assessments, prior liens, expenses, attorneys' fees, and all interest thereon, or effect such insurance, and sums so paid shall bear interest at the Default Rate (as defined in the Note) from the date of such payment until paid by Mortgagor, shall be an additional lien on the Collateral, and shall be immediately due and payable from the Mortgagor, and repayment thereof shall be secured by this Mortgage.
- J. Mortgagee shall be entitled to inspect the Collateral at reasonable times during normal business hours and at all times during any emergency.
- K. The Mortgaged Premises as improved on the date hereof, and shall so long as this Mortgage is in effect, comply with all requirements of laws, requirements of any federal, state, county, city or other governmental authority having jurisdiction over the Mortgagor, the Mortgaged Premises and other Collateral including, but not limited to, any applicable zoning, occupational, safety and health, energy and environmental laws, ordinances and regulations; and the Mortgagor has obtained and will obtain all necessary consents, easements, permits and licenses to construct, occupy and operate the Collateral, for its intended purposes.

6. **Events of Default/Acceleration of Maturity.** Subject to the Event of Default provisions of the Agreement regarding notice and the passage of time upon the occurrence of an Event of Default, Mortgagor agrees that at the option of Mortgagee and in addition to Mortgagee's right to accelerate the

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maturity of the indebtedness secured hereby, the entire remaining principal balance plus accrued interest and all other sums due and payable pursuant to the Subordinated Loan Documents shall become immediately due and payable in full upon the occurrence of any of the following (each of which is hereby referred to as an "Event of Default"):

- A. Failure by Mortgagor to make any payment on the Note when due as provided in the Agreement;
- B. The default by Mortgagor in the performance of any other covenants or agreements contained herein;
- C. The occurrence of an Event of Default under the Agreement or any other agreement for money borrowed or property leased ;
- D. The voluntary or involuntary bankruptcy, reorganization, or insolvency of the Mortgagor or any Guarantor;
- E. The dissolution, termination or merger of Mortgagor or any Guarantor of the Note or the occurrence of the death, unless, and if no Event of Default has otherwise occurred, Lender is notified within thirty (30) days of such death, and Lender determines in its sole discretion that satisfactory provisions and arrangements have been made for the payment of the Liabilities by the decedent's estate so long as such provisions and arrangements have been completed within ninety (90) days of such death, or declaration of legal incompetency of any individual Guarantor of the Note; or
- F. The occurrence of a sale, conveyance, mortgage, pledge, transfer, encumbrance or grant of a security interest not permitted under this Mortgage.

7. **Remedies.** Upon the occurrence of any Event of Default and without regard to waste, adequacy of the security or solvency of Mortgagor, but subject to the provisions of Section 7A. Senior Mortgage Priority, Mortgagee may, at its option, have and exercise the following remedies:

- A. Apply to the Circuit Court of the county in which the Mortgaged Premises (or a part thereof) is located for the appointment of a receiver under Illinois law, it being understood and agreed by Mortgagor that Mortgagee shall be entitled to the appointment of a receiver upon a showing that an Event of Default has occurred and is continuing under the terms of this Mortgage. A receiver so appointed shall apply all rents and profits and other income included in the Rent Assignment collected first as provided in accordance with the provision of the Mortgage and applicable law, and thereafter shall apply the rents and profits to the payment of the following items in the order indicated unless otherwise provided in the order, judgment or decree of any such court or as required by law: first, to any expenses related to the collection of such rents and profits, second, to the payment of any other Liabilities then due and payable; third, to the payment of principal and interest on any prior

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liens or encumbrances; and fourth, to the payment of interest and then principal on the Note;

- B. Collect all rents and profits from the occupants of the Mortgaged Premises, and collect all proceeds of sale under contracts for the conveyance of condominium units and parking spaces in the Mortgaged Premises, including but not limited to, the Approved Sales Contracts, and apply all rents, profits and proceeds so collected in the same manner as is provided in subparagraph (A) above where the rents are collected pursuant to the appointment of a receiver. In the event Mortgagee exercises its rights under this subparagraph (B), Mortgagee shall not, solely by reason thereof, be deemed to be a mortgagee-in-possession of the Mortgaged Premises;
- C. Upon the occurrence of any Event of Default, at the option of the Mortgagee, the entire indebtedness evidenced by the Note and all other Liabilities, together with interest thereon at the applicable rate provided in the Note shall, notwithstanding any provision hereof and without demand or prior notice of any kind to the Mortgagor or to any other person, become immediately due and payable;
- D. The Mortgagor hereby waives all right to the possession, income, sales proceeds and rents of the Collateral from and after the occurrence of any Event of Default, and the Mortgagee is hereby expressly authorized and empowered, at and following any such occurrence, in its sole discretion, to enter into and upon and take possession of the Collateral or any part thereof, to complete any construction in progress thereon at the expense of the Mortgagor, to sell condominium units and parking spaces within the project either pursuant to approved sales contracts or otherwise, to lease the same, to collect and receive all rents and to apply the same, less the necessary or appropriate expenses of collection thereof, either for the care, operation and preservation of the Collateral or, at the election of the Mortgagee in its sole discretion, to a reduction of such of the Liabilities in such order as the Mortgagee may elect. The Mortgagee, in addition to the rights provided under the Agreement, the Note, and the Subordinated Loan Documents is also hereby granted full and complete authority to enter upon the Mortgaged Premises, to continue any and all outstanding contracts for the erection and completion of improvements to the Mortgaged Premises and other Collateral, to make and enter into any contracts and obligations wherever necessary in its own name, and to pay and discharge all debts, obligations and liabilities incurred thereby, all at the expense of the Mortgagor. All such expenditures by the Mortgagee shall be Liabilities. Upon the occurrence of any Event of Default, the Mortgagee may also exercise any or all rights or remedies under the Agreement, the Note and the other Subordinated Loan Documents; or
- E. Upon the occurrence of any Event of Default, the Mortgagee shall also have the right immediately to foreclose this Mortgage. Upon the filing of any complaint for such purpose, the Mortgagor agrees that the court in which such complaint is filed

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shall, upon application of the Mortgagee or at any time thereafter, either before or after foreclosure sale, and without notice to the Mortgagor, or to any party claiming under the Mortgagor and without regard to the solvency or insolvency at the time of such application of any person then liable for the payment of any of the Liabilities, without regard to the then value of the Mortgaged Premises or other Collateral or whether the same shall be occupied, in whole or in part, as a homestead, by the owner of the equity of redemption, and without regarding any bond from the complainant in such proceedings, appoint a receiver for the benefit of the Mortgagee, with power to take possession, charge, and control of the Collateral, to lease the same, to realize on the Collateral, to keep the buildings thereon insured and in good repair, and to collect all rents during the pendency of such foreclosure suit, and, in case of foreclosure sale and a deficiency, during any period of redemption. The court may, from time to time, authorize said receiver to apply the net amounts remaining in the hands of the receiver, after deducting reasonable compensation for the receiver and its counsel as allowed by the court, in payment (in whole or in part) of any or all of the Liabilities including, but not limited to, the following, in such order of application as the Mortgagee may elect:

- (1) amounts due under the Note, this Mortgage, the Agreement, or the other Subordinated Loan Documents;
- (2) amounts due upon any decree entered in any suit foreclosing this Mortgage;
- (3) costs and expenses of litigation and foreclosure upon the Collateral;
- (4) insurance premiums, repairs, taxes, special assessments, water charges and interest, penalties and costs, in connection with the Collateral;
- (5) any other lien or charge upon the Collateral that may be or become superior to the lien of this Mortgage, or of any decree foreclosing the same; and
- (6) all monies advanced by the Mortgagee to cure or attempt to cure any default by the Mortgagor in the performance of any obligation or condition contained in this Mortgage, the Agreement, the other Subordinated Loan Documents, the Note or otherwise, to protect the security hereof provided herein, or in the Agreement or the other Subordinated Loan Documents, with interest on such advances at the Default Rate.

The surplus proceeds of sale or other disposition, if any, shall then be paid to the Mortgagor or upon reasonable request to any other person entitled thereto by virtue of an interest in the Mortgaged Premises or other Collateral. This Mortgage may be foreclosed once against all, or successively against any portion or portions of the Mortgaged Premises or other Collateral, as the Mortgagee may elect, until all of the items of Collateral have been foreclosed against and sold or otherwise disposed of. As part of the foreclosure, Mortgagee in its discretion may, with or without entry, personally or by the attorney, sell or otherwise dispose of to the highest bidder all or any part of the Collateral, and all right, title, interest, claim and

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demand therein, and the right of redemption thereof, as an entirety, or in separate lots, as Mortgagee may elect, and in one sale or disposition or in any number of separate sales or dispositions held at one time or at any number of times, all in any manner upon such notice as provided by applicable law. Upon the completion of any such sale or sales or other disposition, Mortgagee shall transfer and deliver or cause to be transferred and delivered, to the purchaser or purchasers the property so sold or otherwise disposed of, in the manner and form as provided by applicable law. In the case of any sale or other disposition of the Mortgaged Premises or other Collateral pursuant to any judgment or decree of any court at public auction or otherwise, Mortgagee may become the purchaser, and for the purposes of making settlement for or payment of the purchase or acquisition price, shall be entitled to deliver over and use the Note and any obligations thereunder in order that there may be credited as paid on the purchase or acquisition price the amount of those liabilities and obligations. In case of any foreclosure of this Mortgage or in connection with foreclosure or realization upon any of the Collateral (or the commencement of or preparation therefor) in any court, all expenses of every kind paid or incurred by the Mortgagee for the enforcement, protection or realization upon, or collection of the Collateral encumbered by this security including, but not limited to, repossessing, insuring, holding, repair and subsequent sale, lease or other disposition, court costs, attorneys' fees, stenographers' fees, costs of advertising, and costs of abstracts of title, tax histories or title insurance policies and any other documentary evidence of title, shall be paid by the Mortgagor and may be reimbursed or satisfied from the proceeds derived from the disposition of the Collateral. In the event of foreclosure the abstracts of title or title insurance shall become the property of Mortgagee.

Mortgagor further understands that upon the occurrence of an Event of Default the Mortgagee may take possession of the Collateral including, but not limited to, Collateral located on the Mortgaged Premises and dispose of the same by sale or otherwise in one or more parcels provided that at least ten days' prior notice of the time and place of a public sale or the time after which any private sale or other intended disposition is to be made is given to the Mortgagor, all as provided for by the Code, as the same may hereafter be amended, or by any law or statute hereafter enacted in substitution thereof. Mortgagee may by notice require Mortgagor to assemble the Collateral and make it available to Mortgagee at a place to be designated by the Mortgagee which is reasonably convenient to Mortgagor and Mortgagee. Mortgagor agrees that for such purposes the Mortgaged Premises is such a place.

Except as expressly stated herein, Mortgagor hereby relinquishes, waives and gives up its rights, if any, to notice before sale of the personal property included in the Collateral, and expressly consents and agrees that such Collateral may be disposed of pursuant to the Code. Each right, power or remedy herein conferred upon the Mortgagee is cumulative, non-exclusive and in addition to every other right, power or remedy, express or implied, now or hereafter arising, available to Mortgagee, at law or in equity, or under any other agreement, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Mortgagee and shall not be a waiver of the right to exercise at any time thereafter any other right, power or remedy. No delay or omission by the Mortgagee in the exercise of any right, power or remedy arising hereunder or arising otherwise shall impair any such right, power or remedy or the right of the Mortgagee to resort thereto at a later date or be construed to be a waiver of any default or event of default under this Mortgage or the Note. The Mortgagor waives to the full extent lawfully allowed the benefit of any homestead, appraisalment, evaluation, stay and extension laws now or herein in force. Mortgagor waives any rights available with respect to marshaling of assets so as to require the separate sales of any portion of the Collateral, or as to require the Mortgagee to exhaust its remedies against a specific portion of the

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Collateral before proceeding against the other and does hereby expressly consent to and authorize the sale or other disposition of the Collateral or any part thereof as a single unit or parcel or as separate parcels. Mortgagee shall have the right to dispose of all or any of the Collateral at public or private sale, including a public auction on the Property or where the Collateral is kept pursuant to the terms of this Mortgage.

IN THE EVENT OF THE SALE OF ANY PART OF THE MORTGAGED PREMISES OR OTHER COLLATERAL UNDER THE PROCEDURE FOR FORECLOSURE OF A MORTGAGE BY ADVERTISEMENT, AS PROVIDED BY APPLICABLE LAW, OR IN THE EVENT THE MORTGAGEE EXERCISES ITS RIGHTS UNDER THE RENT ASSIGNMENT, THE MORTGAGOR HEREBY WAIVES ANY RIGHT TO ANY NOTICE OTHER THAN THAT PROVIDED FOR SPECIFICALLY BY STATUTE, OR TO ANY JUDICIAL HEARING PRIOR TO SUCH SALE OR OTHER EXERCISE OF RIGHTS.

7A. **Senior Mortgage Priority.** If and until the Senior Mortgage has been released, Mortgagee agrees that for a period of thirty (30) days after written notice from Mortgagee to the holder of, or each participant in, the Senior Mortgage, that an Event of Default has occurred under this Mortgage, and unless waived in writing by such holder and participant, Mortgagee will refrain from exercising any of its rights or remedies under Section 7 Remedies, or elsewhere under this Mortgage. The provisions of this Section 7A Senior Mortgage Priority are intended for the sole and exclusive benefit of the holder of the Senior Mortgage and are not intended to benefit Mortgagor and shall not otherwise limit or affect, in any way, the rights and remedies that are available to Mortgagee under this Mortgage as against Mortgagor or the Mortgaged Premises. In addition, and in this regard, the exercise of any of the remedies provided for in Section 7 Remedies or elsewhere in/or under this Mortgage, and the foreclosure upon, sale and/or disposition of the Mortgaged Premises and other Collateral and the proceeds derived therefrom shall in all respects be junior, subordinate and subject to the remedies set forth in the Senior Mortgage.

8. **Hazardous Materials.** Mortgagor covenants, represents and warrants to Mortgagee, its participants, successors and assigns, that the Mortgaged Premises and the other Collateral and its existing and prior use (but subject to the disclosures made in the environmental assessments furnished to Mortgagee in connection with this Mortgage) comply with and to Mortgagor's knowledge have at all times complied with, and Mortgagor is not in violation of, has not violated and will not violate, in connection with the ownership, use, maintenance or operation of the Mortgaged Premises and the other Collateral and the conduct of the business related thereto, any applicable federal, state, county or local statutes, laws, regulations, rules, ordinances, codes, standards, orders, licenses and permits of any governmental authorities relating to environmental matters (being herein collectively referred to as the "Environmental Laws"), and further (but subject to the disclosures made in the environmental assessments furnished to Mortgagee in connection with this Mortgage) covenants, represents and warrants that:

- A. the Mortgaged Premises and other Collateral are in full compliance with the Clean Air Act, the Federal Water Pollution Control Act of 1972, the Resource Conservation and Recovery Act of 1976, and the Comprehensive Environmental Response, Compensation and Liability Act of 1980, and the Toxic Substances Control Act (including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to any of said Environmental Laws);

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- B. each of Mortgagor, its agents, employees and independent contractors, (i) has operated and will operate the Mortgaged Premises and the other Collateral and has received, handled, used, stored, treated, transported, and disposed of, and at all times will receive, handle, use, store, treat, transport and dispose of all petroleum products and all other toxic, dangerous or hazardous chemicals, materials, substances, pollutants and wastes, and any chemical, material or substance exposure to which is prohibited, limited or regulated by any federal, state, county, regional or local authority or which even if not so prohibited, limited or regulated, may or could pose a hazard to the health and safety of the occupants of the Mortgaged Premises or the occupants and/or owners of property near the Mortgaged Premises (all the foregoing being herein collectively referred to as "Hazardous Materials") in strict compliance with all applicable environmental, health or safety statutes, ordinances, orders, rules, standards, regulations or requirements and other Environmental Laws and (ii) subject to the provisions of the preceding clause (i), has removed and will remove, from the Mortgaged Premises all Hazardous Materials in the manner prescribed by the applicable Environmental Laws;
- C. there are no existing or to the best of Mortgagor's knowledge pending statutes, orders, standards, rules or regulations relating to environmental matters requiring any remedial actions or other work, repairs, construction or capital expenditures with respect to the Mortgaged Premises or other Collateral, nor has Mortgagor received any notice of any of the same;
- D. no Hazardous Materials have been or will be released into the environment, or have been or will be deposited, spilled, discharged, placed or disposed of at, on or near the Mortgaged Premises, nor to the best of Mortgagor's knowledge has or will the Mortgaged Premises or other Collateral be used at any time by any person as a landfill or a disposal site for Hazardous Materials or for garbage, waste or refuse of any kind;
- E. there are no electrical transformers or other equipment containing dielectric fluid containing polychlorinated biphenyls located in, on or under the Mortgaged Premises, nor is there any friable asbestos contained in, on or under the Mortgaged Premises, nor will Mortgagor permit the installation of same.
- F. to the best of Mortgagor's knowledge there are no locations off the Mortgaged Premises where Hazardous Materials generated by or on the Mortgaged Premises have been treated, stored, deposited or disposed of;
- G. there is no fact pertaining to the physical condition of either the Mortgaged Premises or other Collateral or the area surrounding the Mortgaged Premises (i) known to Mortgagor which Mortgagor has not disclosed to Mortgagee in writing prior to the date of this Mortgage, and (ii) which materially adversely affects or will materially adversely affect the Mortgaged Premises or other Collateral or the use or enjoyment or the value thereof, or Mortgagor's ability to perform the transactions

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contemplated by this Mortgage;

- H. the mortgaging of the Mortgaged Premises or transfer of a security interest in the other Collateral by Mortgagor to Mortgagee does not require notice to or the prior approval, consent or permission of any federal, state or local governmental agency, body, board or official other than the recording of this Mortgage with the Recorder of Deeds of **Cook County, Illinois**;
- I. no notices of any violation of any of the matters referred to in the foregoing sections relating to the Mortgaged Premises or other Collateral or its use have been received by Mortgagor and there are no writs, injunctions, decrees, orders or judgments outstanding, no lawsuits, claims, proceedings or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Mortgaged Premises or other Collateral, nor to the best of Mortgagor's knowledge is there any basis for any such lawsuit, claim, proceeding or investigation being instituted or filed;
- J. the Mortgaged Premises is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites nor any other log, list, schedule, inventory or record of Hazardous Materials or Hazardous Waste sites whether maintained by the United States, any state or local governmental unit; and
- K. the Collateral is in full compliance with all other applicable environmental standards or requirements.

The Mortgagor agrees to indemnify and reimburse the Mortgagee, its participants, employees, agents, representatives, successors and assigns, for any breach of these representations and warranties, and from any loss, damage, expense or cost arising out of or incurred by Mortgagee which is the result of a breach of, misstatement of or misrepresentation of the above covenants, representations and warranties, or for any loss, damage, expense or cost sustained as a result of there being located on, in or under on the Mortgaged Premises or other Collateral any Hazardous Materials or dangerous, toxic or hazardous pollutants, chemicals, wastes or substances, together with all attorneys' fees incurred in connection with the defense of any action against the Mortgagee arising out of the above. These covenants, representations, warranties and indemnities shall be deemed continuing covenants, representations, warranties and indemnities running with the land for, and inuring to, the benefit of the Mortgagee, its participants, employees, agents, representatives, successors and assigns of the Mortgagee including any purchaser at a mortgage foreclosure sale, and transferee of the title of the Mortgagee or any subsequent purchaser at a foreclosure sale or other disposition, and any subsequent owner of the Mortgaged Premises or other Collateral claiming through or under the title of Mortgagor and shall survive any foreclosure of this Mortgage and any acquisition of title of Mortgagor. The amount of all such indemnified loss, damage, expense or cost, shall bear interest thereon at the Default Rate and shall become additional indebtedness secured hereby and shall become immediately due and payable in full on demand of the Mortgagee, its participants, successors and assigns.

9. **Waiver of Rights.** The Mortgagor hereby covenants and agrees that it will not at any time

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insist upon or plead, or in any manner claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force providing for the valuation or appraisal of the Mortgaged Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to decree, judgment or order of any court of competent jurisdiction; or, after such sale or sales, 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; and without limiting the foregoing:

- A. The Mortgagor hereby expressly waives any and all rights of reinstatement and redemption, if any, under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person, it being the intent hereof that any and all such rights of reinstatement and redemption of the Mortgagor and of all other persons are and shall be deemed to be hereby waived to the full extent permitted by the provisions of Illinois Compiled Statutes 735 ILCS 5/15 - 1601 or other applicable law or replacement statutes; and
- B. The Mortgagor will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power remedy herein or otherwise granted or delegated to the Mortgagee but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted.

10. **Additional Liabilities Secured.** All persons and entities with any interest in the Mortgaged Premises or about to acquire any such interest should be aware that this Mortgage secures more than the stated principal amount of the Note and interest thereon; this Mortgage secures any and all other amounts which may become due under the Note or any other document or instrument evidencing, securing or otherwise affecting the Liabilities, including, but not limited to, any and all amounts expended by Mortgagee to operate, manage or maintain the Mortgaged Premises or to otherwise protect the Mortgaged Premises or the lien of this Mortgage.

11. **Indemnity.** Mortgagor hereby covenants and agrees that no liability shall be asserted or enforced against Mortgagee, its participants, employees, agents, representatives, successors and assigns in the exercise of the rights and powers granted to Mortgagee in this Mortgage, and Mortgagor hereby expressly waives and releases any such liability except liability on account of fraud, willful misconduct or gross negligence. Mortgagor shall indemnify and save Mortgagee and its participants, employees, agents, representatives, successors and assigns harmless from and against any and all liabilities, obligations, losses, damages, claims, costs and expenses (including reasonable attorneys' fees and court costs) (collectively, "Claims") of whatever kind or nature which may be imposed on, incurred by or asserted against Mortgagee at any time by any third party which relate to or arise from: (a) any suit or proceeding (including probate and bankruptcy proceedings), or the threat thereof, in or to which Mortgagee may or does become a party, either as plaintiff or as a defendant, by reason of this Mortgage or for the purpose of protecting the lien of this Mortgage; (b) the offer for sale or sale of all or any portion of the Mortgaged Premises; and (c) the ownership, leasing, use, operation or maintenance of the Mortgaged Premises, if such Claims relate to or arise from actions taken prior to the surrender of possession of the Premises to Mortgagee in accordance with the terms of this Mortgage; provided, however, that Mortgagor

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shall not be obligated to indemnify or hold Mortgagee harmless from and against any Claims directly arising from the gross negligence or willful misconduct of Mortgagee. All costs provided for herein and paid for by Mortgagee shall be so much additional Indebtedness and shall become immediately due and payable upon demand by Mortgagee and with interest thereon from the date incurred by Mortgagee until paid at the Default Rate of interest provided under the Note.

12. **Notices.** Any notices, communications and waivers under this Mortgage shall be in writing and shall be (i) delivered in person, (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (iii) by overnight express carrier, addressed to the applicable party at its address first indicated above. All notices sent pursuant to the terms of this Section shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, then on the next federal banking day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received.

13. **Miscellaneous.**

- A. **Successors and Assigns.** This Mortgage and all provisions hereof shall be binding upon and enforceable against Mortgagor and its assigns and other successors. This Mortgage and all provisions hereof shall inure to the benefit of Mortgagee, its successors and assigns and any holder or holders, from time to time, of the Note.
- B. **Invalidity of Provisions; Governing Law.** In the event that any provision of this Mortgage is deemed to be invalid by reason of the operation of law, or by reason of the interpretation placed thereon by any administrative agency or any court, such provision shall be ineffective but only to the extent of such prohibition, unenforceability or invalidity, and shall be adjusted in order to effect, to the maximum extent permitted by law, the purpose of this Mortgage and the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected thereby and shall remain in full force and effect. This Mortgage is to be construed in accordance with and governed by the laws of the State of Illinois.
- C. **Municipal Requirements.** Except for any municipal or governmental requirement addressed in the Declaration (as defined in the Agreement) or any supplementing, modifying or superseding declaration, Mortgagor shall not by act or omission permit any building or other improvement on premises not subject to the lien of this Mortgage to rely on the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises or any interest therein to be so used. Similarly, no building or other improvement on the Premises shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this subparagraph shall be void.

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- D. **Rights of Tenants.** Mortgagee shall have the right and option to commence a civil action to foreclose this Mortgage and to obtain a decree of foreclosure and sale subject to the rights of any tenant or tenants of the Premises having an interest in the Premises prior to that of Mortgagee. The failure to join any such tenant or tenants of the Premises as party defendant or defendants in any such civil action or the failure of any decree of foreclosure and sale to foreclose their rights shall not be asserted by Mortgagor as a defense in any civil action instituted to collect the Indebtedness, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Premises, any statute or rule of law at any time existing to the contrary notwithstanding.
- E. **Option of Mortgagee to Subordinate.** At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any condemnation or eminent domain award) to any and all leases of all or any part of the Premises upon the execution by Mortgagee of a unilateral declaration to that effect and the recording thereof in the Office of the Recorder of Deeds in and for the county wherein the Premises are situated.
- F. **Mortgagee in Possession.** Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Premises by Mortgagee pursuant to this Mortgage.
- G. **Relationship of Mortgagee and Mortgagor.** Mortgagee shall in no event be construed for any purpose to be a partner, joint venturer, agent or associate of Mortgagor or of any lessee, operator, concessionaire or licensee of Mortgagor in the conduct of their respective businesses and, without limiting the foregoing, Mortgagee shall not be deemed to be such partner, joint venturer, agent or associate on account of Mortgagee becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage, any of the other Subordinated Loan Documents, or otherwise. The relationship of Mortgagor and Mortgagee hereunder is solely that of debtor/creditor.
- H. **Time of the Essence.** Time is of the essence of the payment by Mortgagor of all amounts due and owing to Mortgagee under the Note and the other Subordinated Loan Documents and the performance and observance by Mortgagor of all terms, conditions, obligations and agreements contained in this Mortgage and the other Subordinated Loan Documents.
- I. **No Merger.** The parties hereto intend that the Mortgage and the lien hereof shall not merge in fee simple title to the Premises, and if Mortgagee acquires any additional or other interest in or to the Premises or the ownership thereof, then, unless a contrary intent is manifested by Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title and this Mortgage may be

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foreclosed as if owned by a stranger to the fee simple title.

- J. **Maximum Amount Secured.** Notwithstanding anything contained herein to the contrary, in no event shall the amount secured by this Mortgage exceed the amount described in Section of this Mortgage that defines "Liabilities"; provided, however, in no event shall Mortgagee be obligated to advance funds that would cause the outstanding principal balance of the Note to exceed the face amount of the Note.
- K. **Consent to Jurisdiction.** IN ACCORDANCE WITH THE PROVISIONS OF THE AGREEMENT GOVERNING CONSENT TO JURISDICTION WHICH ARE FULLY INCORPORATED HEREIN BY THIS REFERENCE, MORTGAGOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN COOK COUNTY, ILLINOIS.
- L. **Waiver of Jury Trial.** IN ACCORDANCE WITH THE PROVISIONS OF THE AGREEMENT GOVERNING WAIVER OF JURY TRIAL WHICH ARE FULLY INCORPORATED HEREIN BY THIS REFERENCE, MORTGAGOR HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS MORTGAGE, THE NOTE OR OTHER LOAN DOCUMENT AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.
- M. **Complete Agreement.** This Mortgage, the Note, the Agreement and the other Subordinated Loan Documents constitute the complete agreement between the parties with respect to the subject matter hereof and the Subordinated Loan Documents may not be modified, altered or amended except by an agreement in writing signed by both Mortgagor and Mortgagee.
- N. **Defined Terms.** Unless defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Agreement. The provisions of the Subordinated Loan Documents shall supplement the provisions of this Mortgage.

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IN WITNESS WHEREOF, the Mortgagor, or its authorized representative, has executed this Mortgage the date first above written.

“Mortgagor”

JUNEWAY SHERIDAN, L.L.C.
an Illinois limited liability company

By: Sproul Mitchell Builders, Inc.
an Illinois corporation
Its: Manager

By: 
Arthur Mitchell
Its: President



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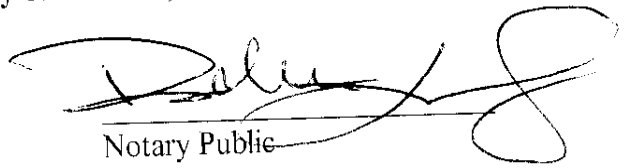
STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

I, the undersigned, a Notary Public do hereby certify that **Arthur Mitchell** personally known to me as President of Sproul Mitchell Builders, Inc., an Illinois corporation, Manager of **JUNEWAY SHERIDAN, L.L.C.**, an Illinois limited liability company appeared before me this day in person, and for and on behalf of **JUNEWAY SHERIDAN, L.L.C.** acknowledged that he signed and delivered the said instrument as his free and voluntary act, and the free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal, this 3rd day of October, 2003.

My commission expires: _____

My county of residence: _____



Notary Public

Patricia H. Kennon
Printed Name

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Exhibit A
to
Subordinated Mortgage, Assignment of Rents,
Security Agreement and Financing Statement
Between
JUNEWAY SHERIDAN, L.L.C. ("Mortgagor")
and
Geneva Leasing Associates, Inc. ("Mortgagee")

Legal Description
(See Attached)

Property of Cook County Clerk's Office

A large, stylized, black ink signature or mark, possibly the name 'S.S.', is written across the center of the page. It is highly decorative with loops and flourishes.

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STREET ADDRESS: 7750 N. SHERIDAN ROAD

CITY: CHICAGO

COUNTY: COOK

TAX NUMBER:

LEGAL DESCRIPTION:

11-29-101-021

11-29-101-029

PCL 1:

(RESIDENTIAL) UNITS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23, 24, 25, 26, 27, 29, 30, 32, 35, 36, 40, 50, 54, AND 57, ALSO TANDEM 1, TANDEM 4, PARKING SPACES P-1, P-3, P-4, P-5, P-6, P-7, P-9, P-16, P-17, ALSO D, I, J, K, M, P AND G-1, G-2, G-5, G-6, G-7, G-8, G-9, G-10, G-11, G-12, G-16, G-17 AND 6-18 IN THE LAKEVIEW POINTE CONDOMINIUM AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:

PARCEL 1:

LOTS 1 TO 7 INCLUSIVE (EXCEPT THAT PART OF LOT 7 DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTH WEST CORNER OF SAID LOT 7; THENCE EAST 51.94 FEET; THENCE NORTH TO A POINT ON THE NORTH LINE OF SAID LOT 7, 38.61 FEET EAST OF THE NORTH WEST CORNER THEREOF; THENCE WEST TO THE NORTH WEST CORNER THEREOF; THENCE SOUTH ON THE WEST LINE OF SAID LOT TO THE POINT OF BEGINNING) IN FERGUSON'S BIRCH PARK ADDITION TO EVANSTON, BEING A SUBDIVISION OF LOTS 44 TO 46 IN LOWENMEYER'S LAKESIDE TERRACE ADDITION TO EVANSTON, ALSO OF LOTS 1, 2 (EXCEPT THE WEST 20 FEET OF SAID LOT 2) IN BLOCK 1 IN FERGUSON'S BIRCHWOOD ADDITION TO EVANSTON ALSO THE VACATED PART OF SHERIDAN ROAD DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTH EAST CORNER OF LOT 1 IN BLOCK 1 IN FERGUSON'S BIRCHWOOD ADDITION TO EVANSTON; THENCE NORTHEASTERLY IN A STRAIGHT LINE TO THE SOUTH WEST CORNER OF LOT 44 IN LOWENMEYER'S LAKESIDE TERRACE ADDITION TO EVANSTON; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 44 TO THE NORTH WEST CORNER THEREOF; THENCE WEST IN A STRAIGHT LINE TO THE NORTH EAST CORNER OF LOT 2 IN BLOCK 1 IN FERGUSON'S BIRCHWOOD ADDITION TO EVANSTON; THENCE SOUTHEASTERLY IN A STRAIGHT LINE TO THE POINT OF BEGINNING ALL IN THE NORTH WEST 1/4 OF SECTION 29, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF LOT 7 IN FERGUSON BIRCH PARK ADDITION TO EVANSTON DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 7; THENCE EAST 51.94 FEET; THENCE NORTHERLY ON A STRAIGHT LINE TO A POINT ON THE NORTH LINE OF SAID LOT 7, 38.61 FEET EAST OF THE NORTHWEST CORNER OF SAID LOT; THENCE WEST TO THE NORTHWEST CORNER OF SAID LOT; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT TO THE POINT OF BEGINNING; IN THE NORTHWEST 1/4 OF SECTION 29, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 3:

ALL THAT PART OF THE EAST-WEST 16 FOOT VACATED ALLEY, LYING NORTH OF THE NORTH LINE OF LOTS 1 TO 7, BOTH INCLUSIVE, IN FERGUSON'S BIRCH PARK ADDITION TO EVANSTON, AFORESAID, WHICH LIES WEST OF THE WEST LINE OF N. SHERIDAN ROAD EXTENDED NORTH AND EAST OF THE WEST LINE OF LOT 7, EXTENDED NORTH, IN FERGUSON'S BIRCH PARK ADDITION TO EVANSTON. WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 0030097477, AND AS AMENDED, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, ALL IN COOK COUNTY, ILLINOIS.

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Exhibit B
to
Subordinated Mortgage, Assignment of Rents,
Security Agreement and Financing Statement
Between
JUNEWAY SHERIDAN, L.L.C. ("Mortgagor")
and
Geneva Leasing Associates, Inc. ("Mortgagee")

Permitted Encumbrances

1. Real estate taxes assessed for the year 2002 due and payable, taxes for the year 2003 are a lien but not yet due and payable and subsequent years, which are not a lien.
2. Rights of the public, the State of Illinois, and the municipality, in and to that part of the land, if any, taken or used for roadways or highways, including utility rights of way.
3. Easements, conditions, reservations and restrictions of record.
4. Zoning laws and ordinances.
5. That certain Mortgage and Security Agreement dated October 24, 2001 and recorded in the Office of the Recorder of Cook County, Illinois on November 1, 2001 as Instrument Number: 0011022696 entered into between JUNEWAY SHERIDAN, L.L.C. and Geneva Leasing Associates, Inc., referred to in this Mortgage as the "Senior Mortgage."