



Doc#: 0421827079
Eugene "Gene" Moore Fee: \$166.00
Cook County Recorder of Deeds
Date: 08/05/2004 03:07 PM Pg: 1 of 32

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT ("Mortgage"), made this 22nd day of July 2004, by and between Gita G. Thakkar whose address is 3909 Charlie Court, Glenview, Illinois ("Borrower") and Nicholas Terzis and Effie Dis whose address is 3413 Bellwood Lane, Glenview, Illinois hereinafter collectively called the "Lender";

WITNESSETH THAT:

Borrower has executed and delivered to Lender that certain Secured Promissory Note made payable to the order of Lender in the principal amount of Four Hundred Thirty-Five Thousand Two Hundred and 00/100 (\$435,200.00) DOLLARS dated of even date herewith (the "Note") which matures on August 1, 2009, (the "Maturity Date"). A copy of the Note is attached hereto as Exhibit A, and by this reference incorporated herein and made a part hereof.

NOW, THEREFORE, Borrower, in order to secure to Lender the repayment of the indebtedness evidenced by the Note, including principal, interest, and all other amounts due thereunder, herein and under the Loan Documents as hereafter defined, and the performance of the covenants and agreements contained herein and in the Loan Documents as hereafter defined and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, assign, convey, confirm and mortgage unto Lender, its successors and assigns the property located at 800 Piper Lane, Prospect Heights; State of Illinois, which property is legally described in Exhibit B attached hereto and made a part hereof; together with all buildings, structures and other improvements and chattels of every nature now on said land or that may hereafter be erected or placed thereon or used and incorporated into the construction thereof, all present and future air, mineral, oil and gas rights and interests relating thereto, all shrubbery and trees now growing or that hereafter may be planted or grown thereon; all crops and/or produce of any kind now growing or that may be hereafter growing, grown or produced upon said land or any part thereof, and all and singular ways, present and future easements and other rights, and all present and future tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, including but not limited to all present and future sewer rights, development rights or credits, surface and underground water, water rights and powers; all present and future rights in any abutting public or private streets and alleys and in any submerged lands

32

FIRST AMERICAN TITLE

ORDER # 102850 EB

THIS INSTRUMENT PREPARED BY AND UPON RECORDING SHOULD BE RETURNED TO:

Mr. Morton M. Poznak
401 North Michigan Avenue
Suite 1900
Chicago, Illinois 60611

STREET ADDRESS:

800 Piper Lane
Prospect Heights, Illinois

PERMANENT TAX INDEX NUMBER:

03-24-200-071

UNOFFICIAL COPY

adjacent thereto (hereinafter referred to as the "Premises"); and

All present and future rents, issues, avails, profits, account receivables, concession and other operating costs and proceeds (hereinafter referred to as the "Rents") of or from the Premises, the "Leases" and/or from the "Equipment" (both of which terms are hereinafter defined), howsoever occurring, existing, created or arising; and

All present and future permits, licenses, franchises, consents and approvals and all general intangibles of, from or relating to the Premises (collectively, the "Licenses"), leases, agreements and tenancies (hereinafter collectively referred to as the "Leases") of or from the Premises and/or the Equipment in any way, manner or respect required, existing, used or useable in connection with the Premises and/or the Equipment or the management, maintenance, operation or business thereof, including, without limitation, those Licenses issued by any governmental authority, and all deposits of money as advance rent or for security under any or all of the Leases and all guaranties of lessees' performances thereunder; and

All present and future judgments, awards or damages and settlements made as a result or in lieu of any taking of the Premises, the Equipment, the Licenses, the Rents and/or the Leases, or any part thereof, under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) thereto; and

All present and future apparatus, machinery, elevators, equipment, fixtures, appliances, furniture, hardware, floor, wall or window coverings and articles of personal property of any and every kind and nature whatsoever used, attached to, installed or located in or on the Premises, or required for use in or on or in connection with the Premises or the management, maintenance, operation or business thereof and all replacements thereof and accessions thereto now or hereafter owned by Borrower or which Borrower now or hereafter acquires an interest in (hereinafter referred to as the "Equipment"), including, but not limited to, any such items of Equipment now or at any time or times hereafter situated on the Premises and used to supply or otherwise deliver heat, gas, air conditioning, water, light, electricity, power, plumbing, refrigeration, sprinkling, ventilation, mobility, communication, security, incineration, laundry service and all other related or other such services (all of the immediately above mentioned items of Equipment being deemed to be a part of the Premises, whether physically attached thereto or not); and

All present and future insurance policies in force or effect insuring the Premises, the Rents, the Leases, the Licenses or the Equipment; and

All present and future plans, specifications, surveys, studies, forms, brochures, photographs, drawings, warranty claims, warranties, contract rights and title insurance policies of or relating to the Premises, the Equipment, the Leases, the Rents and/or the Licenses or any part or interest therein and all bonds, permits, utility contracts, maintenance agreements, management agreements and service contracts in any way required, existing, used or useable in connection with the Premises, the Leases, the Rents, the Licenses and/or the Equipment or the management,

UNOFFICIAL COPY

maintenance, operation or business on the Premises and all books and records, computerized data, tapes and other materials, financial records relating thereto; and

All sums and monies now or from time to time held by or for the benefit of Lender pursuant to this Mortgage or for any other reason; and

All proceeds of each and every of the foregoing.

Borrower hereby grants to Lender a continuing security interest in (i) that portion of the Mortgaged Property constituting property or interests in property, whether real or personal, tangible or intangible, now owned or existing and hereafter acquired and arising, which are subject to the priority and perfection of the security interest provisions of the Illinois Uniform Commercial Code (the "Code") or any similar and applicable law, statute, code or other governing body of law; and (ii) the Equipment and all proceeds thereof to secure payment of the Liabilities, as hereafter defined, and the faithful and prompt performance of the Obligations, as hereafter defined, secured by this Mortgage.

To have and to hold the above described property and interests in property ("Mortgaged Property") unto Lender, its successors and assigns, forever;

Provided always, that upon full payment of the Note secured hereby, or extensions or renewals thereof, in whole or in part, and payment in full of all other "Liabilities", as hereinafter defined, and secured hereby, and the faithful and prompt performance of the "Obligations", as hereinafter defined, then the lien of this Mortgage shall be released by Lender at the cost of Borrower but shall otherwise remain in full force and effect.

AND THIS MORTGAGE FURTHER WITNESSETH:

1. DEFINITIONS

1.1. Wherever used in this Mortgage, "Liabilities" means any and all of the following: (i) the payment of any and all monies, including, but not limited to, the payment, when due or declared due in accordance with the terms of the Note, of the principal sum of the Note, together with the interest and all other amounts due thereunder, now and/or hereafter owed or to become owing by Borrower to Lender under and/or pursuant to the terms and provisions of the Note; (ii) the payment of any and all other debts, claims, obligations, demands, monies, liabilities and/or indebtedness (of any and every kind or nature) now and/or hereafter owing, arising, due or payable from Borrower to Lender under and/or pursuant to the terms and provisions of this Mortgage; and (iii) the payment of any and all other debts, claims, obligations, demands, monies, liabilities and/or indebtedness (of any and every kind or nature) now and/or hereafter owing, arising, due or payable to Lender, howsoever evidenced, created, incurred, acquired or owing, whether primary, secondary, direct, contingent, fixed or otherwise, and arising under and/or pursuant to the terms of the Loan Documents as hereafter defined.

UNOFFICIAL COPY

1.2. Wherever used in this Mortgage, "Obligations" means the prompt, full and faithful performance, discharge, compliance and observance of each and every term, condition, agreement, undertaking, covenant and provisions to be performed, discharged, observed or complied with by Borrower or any other party contained in the Loan Documents, as hereafter defined.

1.3. Wherever used in this Mortgage, "Loan Documents" means the Note and this Mortgage and all extensions, renewals and modifications of all of the foregoing documents.

1.4. Wherever used in this Mortgage, the term "and/or" means one or the other or both, or any one or all, of the things, events or persons or parties in connection with which the term is used.

2. WARRANTIES AND REPRESENTATIONS

Borrower warrants and represents to Lender as follows:

2.1. Borrower has the standing, right, power and lawful authority to own the Mortgaged Property, to carry on the business of and operate the Mortgaged Property, to enter into, execute, perform under and deliver this Mortgage, the Note and the Loan Documents executed by Borrower, to encumber the Mortgaged Property to Lender as provided herein or in the Loan Documents and to repay all of the Liabilities owing from Borrower to Lender and to perform all of the Obligations to be performed by Borrower and to consummate all of the transactions described in or contemplated by this Mortgage, the Note and the other Loan Documents executed by Borrower.

2.2. The execution, delivery and performance by Borrower of and under this Mortgage, the Note and the other Loan Documents executed by Borrower does not constitute a violation of any applicable law and does not conflict with or result in a default or breach of or under or an acceleration of any obligation arising, existing or created by or under any agreement, instrument, document, mortgage, deed, trust deed, trust agreement, note, judgment, order, award, decree or other restriction to which Borrower is a party or by which Borrower or any of the Mortgaged Property is bound or any law or regulatory provision now affecting Borrower or any of the Mortgaged Property.

2.3. All of the Licenses necessary for the operation of the Mortgaged Property are in full force and effect; and, to the best of Borrower's knowledge, all of the Leases are genuine, in all respects what they purport to be, free of set-offs, counterclaims or disputes and valid and enforceable in accordance with their terms. Borrower has made no previous assignment of the Leases, Rents or Licenses. All parties to the Leases, to the best of Borrower's knowledge, have the capacity to contract thereunder. Except for security deposits provided for under the Leases, no payment of any Rent has been made by any tenant or by any person in possession of any portion of the Mortgaged Property for more than one month's installment in advance.

2.4. There is no litigation, action, claim or proceeding pending or threatened which might, in any way, manner or respect, materially adversely affect Borrower, the Mortgaged Property, the operation or the business thereof, Lender's lien thereon, the collectibility of the Note,

UNOFFICIAL COPY

the ability of Borrower to repay the Note or the financial condition of the Mortgaged Property or the operation or business thereof. There are no bankruptcy or insolvency proceedings pending or contemplated by Borrower, or to the best knowledge of Borrower threatened against Borrower or pending or threatened against any other party directly or indirectly liable for the repayment of the Liabilities or performance of the Obligations.

2.5. Borrower and the Mortgaged Property possess and hold adequate Licenses to conduct and operate the business of the Mortgaged Property and none of the foregoing contains any term or condition that is materially burdensome to said business or materially differing from those possessed or held by other parties conducting or operating a similar business.

2.6. There does not exist any default or breach of or under any agreement, instrument or document for borrowed money by which Borrower or the Mortgaged Property is bound or obligated.

2.7. The location, existence, use and condition of the Premises and the Equipment are in compliance with all applicable laws, rules, ordinances and regulations, including, but not limited to, building and zoning laws, and all covenants and restrictions of record.

2.8. Borrower is (subject to the rights of tenants in possession) in peaceful possession of the Mortgaged Property and is lawfully seized, possessed and the owner of and has good and indefeasible, marketable fee-simple title to the Mortgaged Property, free and clear of all liabilities, claims, debts, exceptions, security interests, assessments, charges, impositions, levys, taxes, liens and all other types of encumbrances (hereinafter referred to as the "Encumbrances") except (a) the Encumbrances of Lender, (b) those Encumbrances described on Exhibit C attached hereto and made a part hereof, and (c) existing Leases to a tenant or tenants in possession of all or portions of the Premises. (The items described in (a) through (c) hereof shall be referred to as the "Permitted Encumbrances".)

2.9. Electric, gas, sewer, water facilities and any other necessary utilities are available in sufficient capacity to service the Mortgaged Property, and any easements necessary to the furnishing of such utility services have been obtained and duly recorded.

2.10. The proceeds of the loan evidenced by the Note and secured hereby will be used solely for the purposes specified in Illinois Compiled Statutes, Chapter 815 ILCS 205/4 and the principal obligation evidenced by the Note constitutes a "business loan" within the definition and purview of said statute and said loan is an exempted transaction under the Truth In Lending Act, 15 U.S.C. Section 1601, et seq.

2.11. All streets, roads, highways and waterways necessary for access to and full use, occupancy, operation and disposition of the Premises have been completed, have been dedicated to the appropriate governmental authority and are open and available to Borrower without further condition or cost.

UNOFFICIAL COPY

3. COVENANTS

In addition to all other covenants and agreements contained herein Borrower specifically covenants with Lender as follows:

3.1. Borrower will promptly pay, or cause to be paid, when due or declared due the Liabilities owing from Borrower to Lender and fully and faithfully will perform, discharge, observe and comply with each and every of the Obligations to be performed by Borrower.

3.2. Borrower will not change the use or character of or abandon the Mortgaged Property and at all times hereafter shall keep the Mortgaged Property in good condition and repair and will not commit or suffer waste and will make all necessary repairs, replacements and renewals (including the replacement of any items of the Equipment) to the Mortgaged Property so that the value and operating efficiency thereof shall at all times hereafter be maintained and preserved. Borrower shall not remove any fixture or demolish any building or improvement located in or on the Premises. Borrower shall pay for and complete, within such period of time as may be required by Lender in its sole discretion, any building or improvement at any time in the process of erection upon the Premises, shall refrain from impairing or diminishing the value of the Mortgaged Property and shall make no material alterations to the Mortgaged Property which in the opinion of Lender diminishes its value. Borrower shall comply with all requirements of law and all municipal ordinances governing the Mortgaged Property and the use thereof including but not limited to, building and zoning laws.

3.3. Borrower shall pay and discharge, as and when due and payable, before any penalty attaches, all charges, impositions, levies, assessments and taxes (whether general, special or otherwise), water charges, sewer service charges and all other municipal or governmental charges, impositions, levies, assessments and taxes of any kind or nature that may be at any time levied, assessed or imposed upon or against the Mortgaged Property, or any part thereof, and shall deliver to Lender duplicate receipts evidencing payment thereof at least fifteen (15) days before delinquency; provided, however, that if Borrower in good faith and by appropriate legal action shall contest the validity of any such item or the amount thereof, and shall have established by deposit of cash or other security with Lender for the payment thereof in such amount as Lender may reasonably require to pay in full any of the foregoing including interest and penalties thereon and shall increase said deposit to cover additional interest and penalties whenever Lender deems such increase advisable, then Borrower shall not be required to pay the item or to produce the required receipts: (a) while the deposit is maintained, and (b) so long as the contest operates to prevent collection, including enforcement of any lien securing payment thereof, is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to Borrower.

3.4. Borrower shall keep the Mortgaged Property free and clear of all Encumbrances (including, but not limited to, mechanics' liens and other similar liens or claims for liens) of any and every kind and nature except Permitted Encumbrances, shall promptly pay or cause to be paid, as and when due and payable or when declared due and payable, any indebtedness which may become or be secured by such an Encumbrance and, immediately upon request by Lender, shall deliver to Lender evidence satisfactory to Lender of the payment and discharge thereof; provided, however,

UNOFFICIAL COPY

that if Borrower in good faith and by appropriate legal action shall contest the validity of any such item or the amount thereof, and shall have established by deposit of cash or other security with Lender for the payment thereof in such amount as Lender may reasonably require to pay in full any of the foregoing together with interest thereon and shall increase said deposit whenever, in the judgment of Lender, such increase is advisable, then Borrower shall not be required to pay the item or to produce the required evidence of discharge: (a) while the deposit is maintained, and (b) so long as the contest operates to prevent collection, including enforcement of any lien securing payment thereof, is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to Borrower. If Lender makes payment of any such Encumbrance, Lender shall be subrogated to the rights of such claimant, notwithstanding that the Encumbrance may be released of record.

3.5. All present and future items of fixtures, equipment, furnishings or other tangible personal property (whether or not constituting a part of the Mortgaged Property) related or necessary to or used or useable in connection with any present or future building or improvement on the Premises, or the operation or business thereof, are and will be owned free and clear of all Encumbrances except Permitted Encumbrances and Borrower will not acquire any such property subject to any Encumbrance except Permitted Encumbrances.

3.6. If Lender is required by legislative enactment or judicial decision to pay any charge, imposition, assessment, levy or tax in or to any state, municipality or government on the Mortgaged Property (or on any interest therein), this Mortgage or the recording thereof, the other Loan Documents or the Liabilities, other than taxes measured by the net income or gross income of Lender, then to the extent permitted by law, Borrower shall pay, when payable, such charge, imposition, assessment, levy or tax. If under applicable law and for any reason whatsoever, Borrower is not permitted to pay, in full, all of such charges, impositions, assessments, levys and taxes, then all Liabilities shall become and be due and payable, at the election of Lender, within thirty (30) days following Lender's notice to Borrower.

3.7. Borrower shall pay all operating expenses of the Premises, maintain all insurance required hereunder, cause the Premises to be operated in a competent and professional manner and refrain from any action which would increase the risk of hazards to the Premises. Borrower shall comply with all restrictions and covenants of record with respect to the Premises and the use thereof, and observe and comply with any conditions and requirements necessary to preserve, maintain and extend any and all Licenses (including, without limitation, special exceptions and nonconforming uses), privileges, franchises and concessions, electric, gas, sewer, water facilities and any other necessary utilities which are necessary to the operation of the business conducted on the Premises or for its use and occupancy.

3.8. Borrower shall not grant any License or easement burdening the Mortgaged Property or agree to or accept the modification, amendment, or termination of any License or easement affecting the Mortgaged Property without the prior written consent of Lender. Borrower shall not initiate or acquiesce in any change in the zoning or conditions of the use of the Premises. If under applicable law, the use of all or any part of the Premises is or becomes a nonconforming use, Borrower shall not cause or permit such use to be discontinued or abandoned without the prior written consent of Lender. Except for security deposits provided for under the Leases, Borrower

UNOFFICIAL COPY

shall not accept any payment of Rents for any portion of the Mortgaged Property for more than one month's installment in advance. Borrower shall not, without the written consent of Lender, change the identity of the person or firm responsible for managing and/or leasing the Premises.

3.9. If title to any part of the Mortgaged Property, or the interest of Lender therein, shall be endangered or shall be attached, directly or indirectly, Borrower will immediately take all necessary and proper steps for the defense thereof, including the employment of counsel (reasonably acceptable to Lender), the prosecution or defense of litigation, and the compromise or discharge of all claims.

3.10. Borrower shall permit Lender, and its agents, upon demand, to inspect the Mortgaged Property, conduct studies or tests thereof, above or below the surface of the Premises. Borrower shall pay all costs and expenses incurred by Lender in conducting such inspections.

3.11. If any act or occurrence of any kind or nature (including any casualty for which insurance was not obtained or obtainable) shall result in damage to or loss or destruction of the Mortgaged Property, or any part thereof, Borrower will immediately give written notice thereof to Lender. Borrower shall promptly at Borrower's sole cost and expense and regardless of whether the insurance proceeds (if any) are made available to Borrower or will be sufficient to accomplish same, commence and continue diligently to completion to restore, repair, replace and rebuild the Mortgaged Property as nearly as possible to its value, condition and character immediately prior to such damage, loss or destruction, in accordance with plans, specifications and procedures acceptable to Lender.

3.12. Borrower shall promptly notify Lender if Borrower learns of the occurrence of (i) any event which constitutes a Default, (ii) any event which but for the passage of time or the giving of notice would constitute a Default, (iii) any legal, judicial or regulatory proceedings affecting Borrower or any of its properties in which the amount involved is material and is not covered by insurance, or which, if adversely determined, would have a material adverse effect on Borrower, (iv) any other event of condition having a material adverse effect on Borrower. Borrower's notice shall include a detailed statement of the steps being taken to cure or minimize the effect of any such occurrence or event.

4. INSURANCE, TAXES, EMINENT DOMAIN AND CONDEMNATION

Borrower, at all times, shall keep and maintain the Mortgaged Property fully insured (without co-insurance): (i) against loss or damage by, or resulting from, fire, windstorm, flood and other risks and hazards as covered under a standard extended coverage policy and such other hazards, casualties and contingencies as Lender, from time to time, may reasonably require in companies, form, amounts and for full replacement cost, and such periods as is satisfactory to Lender, but, in any event, on a replacement cost basis for not less than the full principal balance of the Note, without deduction for depreciation and with an "agreed amount, with inflation protection endorsement"; (ii) with rental or business interruption insurance in favor of Lender in an amount equal to not less than one year's gross rent from the Mortgaged Property which shall be determined annually on the renewal date based upon the sum of the actual rentals received during the prior year for occupied space and the scheduled rentals for unoccupied space as of such renewal date; (iii)

UNOFFICIAL COPY

with comprehensive general public liability insurance on an occurrence basis with combined single limit for bodily injury or property damage of \$1,000,000 with respect to any one accident or disaster and naming Lender as an additional insured thereunder; (iv) with sprinkler insurance and boiler insurance, if applicable; (v) with flood insurance if any part of the Premises is located in an area identified by the Federal Emergency Management Agency as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (and any amendment or successor act thereto) in an amount at least equal to the outstanding principal amount of the Note or the maximum limit of coverage available with respect to the Premises and Equipment under said Act, whichever is less; (vi) with earthquake insurance, if available and if required by Lender; and (vii) with such other insurance as may be reasonably required by Lender from time to time. All such policies and renewals thereof (hereinafter referred to as the "policies") shall contain, in form and substance acceptable to Lender, a "replacement cost endorsement" (in the case of all casualty policies) and standard mortgagee, and Lender loss payable clauses naming Lender as the mortgagee and loss payee, as well as a standard waiver of subrogation endorsement and a non-contributory standard mortgagee clause and shall be delivered, as issued, to Lender, with premiums therefor paid in full by Borrower. All policies shall provide that (a) they may not be cancelled or modified by the insurer as to Lender without first giving at least thirty (30) days' prior written notice to Lender of any intended cancellation or modification and (b) and that no claims thereunder shall be paid without ten (10) days advance written notice to Lender. Each insurance company which has issued a policy is hereby authorized and directed to make all payment of losses covered by any policy to Lender alone and not to Lender and Borrower jointly. In case of policies about to expire, Borrower will deliver to and deposit with Lender renewal policies not less than thirty (30) days prior to the respective dates of expiration. Borrower will deliver and deposit with Lender receipts for the payment of the premiums on all policies. In the event of foreclosure of this Mortgage, the assignment hereof by Lender or the transfer of title to the Mortgaged Property whether or not in extinguishment of Borrower's Liabilities or otherwise, all right, title and interest of Borrower in and to any policies then in force shall pass to the purchaser, grantee or assignee. Unless Borrower provides Lender with evidence of the insurance coverage required by this Mortgage, Lender may purchase insurance at Borrower's expense to protect Lender's interest in the Mortgaged Property described herein. This insurance may, but need not, protect Borrower's interests. The coverage that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the Mortgaged Property. Borrower may later cancel any insurance purchase by Lender, but only after providing Lender with evidence that Borrower has obtained insurance as required by this Mortgage. If Lender purchases insurance for the Mortgaged Property, Borrower will be responsible for the costs of that insurance, including interest and any charges Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Liabilities. The costs of the insurance may be more than the cost of insurance Borrower may be able to obtain itself.

4.1. Full power is hereby irrevocably conferred on Lender and the Borrower does hereby irrevocably constitute and appoint Lender the true and lawful attorney of Borrower with full power of substitution for Borrower: (a) to settle and compromise all claims under all policies; (b) to demand, receive and receipt for all monies becoming due and/or payable under all policies; (c) to execute, in the name of Borrower or in the name of Lender, any proofs of loss, notices or other

UNOFFICIAL COPY

instruments in connection with all claims under all policies; and (d) to assign Lender's interest in all policies to any holder of Borrower's Liabilities or to the grantee of the Mortgaged Property in the event of the foreclosure of this Mortgage or other transfer of title to the Mortgaged Property. In the event of payment under any of the policies, the proceeds of the policies shall be paid by the insurer to and deposited with Lender, and Lender, in its sole and absolute discretion, may apply such proceeds, wholly or partially, after deducting all costs of collection, including reasonable attorneys' fees, either (I) toward the alteration, reconstruction, repair or restoration of the Mortgaged Property or any portion thereof provided (s) the restoration could be completed at least nine months prior to the Maturity Date of the Note, and (t) Borrower has deposited with Lender such additional funds with Lender which together with the net insurance proceeds shall be sufficient, in Lender's reasonable judgment to complete the restoration, and (u) the restoration shall be done in compliance with applicable laws, rules and regulations, and (v) Borrower carries builders risk insurance satisfactory to Lender, and (w) all reasonable costs and expenses incurred by Lender in connection with making the proceeds available for said restoration including without limitation reasonable attorneys' fees and costs, inspecting engineering or architect fees, appraisal fees and title insurance premiums and costs are paid by Borrower, and (x) the Mortgaged Property as restored, in the judgment of Lender, will generate sufficient income to pay all expenses in connection with the operation of the Mortgaged Property, and (y) Lender shall have received evidence satisfactory to Lender that during the period of restoration the sum of (A) income derived from the Mortgaged Property as determined by Lender plus (B) proceeds of rent loss insurance or business interruption insurance, if any to be paid will equal or exceed the sum of (C) expenses to be paid in connection with the operations of the Mortgaged Property and (D) the debt service due Lender under the Note, and (z) there is delivered to Lender such architect's certificates, building permits, construction contracts, appraisals, waivers of lien, contractors and owners sworn statements, title insurance endorsements and plats of survey as may be required by Lender in its sole discretion; or (II) as a payment on account of the Liabilities (without affecting the amount or time of subsequent installment payments required to be made by Borrower to Lender under the Note), whether or not then due or payable or to fulfill the performance of any of the Obligations; or (III) deliver the same to Borrower. All insurance proceeds now or hereafter disbursed for the benefit of Borrower in any way, manner or respect affecting, arising from or relating to the Mortgaged Property, or any portion thereof unless released absolutely by Lender, are hereby assigned to Lender as additional security for the payment of the Liabilities and performance of the Obligations (except as expended for restoration of the Mortgaged Property) and for such purpose, Borrower hereby grants to Lender a security interest therein. The power of attorney granted Lender under this paragraph shall be coupled with an interest and shall be irrevocable and same cannot be modified or altered without the written consent of Lender.

4.2. All awards now or hereafter made by any public or quasi-public authority to or for the benefit of Borrower in any way, manner or respect affecting, arising from or relating to the Mortgaged Property, or any portion thereof, by virtue of an exercise of the right of eminent domain or condemnation by such authority (including, but not limited to, any award for taking of title, possession or right of access to a public way, or for any change of grade of streets affecting the Mortgaged Property) hereby are, unless released absolutely by Lender, assigned to the Lender as additional security for the payment of the Liabilities (except as expended for restoration of the Mortgaged Property) and performance of the Obligations and for such purpose, Borrower hereby

UNOFFICIAL COPY

grants to Lender a security interest therein. Borrower, immediately upon request by Lender, shall make, execute and deliver and/or cause to be made, executed and delivered to and/or for the benefit of Lender any and all assignments and other instruments sufficient to assign, and cause the payment directly to Lender of, all such awards, free and clear of all Encumbrances except Permitted Encumbrances. Borrower does hereby irrevocably constitute and appoint Lender the true and lawful attorney of Borrower with full power of substitution of Borrower and Lender shall and hereby is authorized, directed and empowered to collect and receive the proceeds of any such awards from the authorities making the same and to give proper receipts therefor (in Borrower's name, in Lender's name or in both names). In connection with any of the foregoing received by and deposited with Lender, Lender may, in its sole and absolute discretion, (i) apply the same, or any part thereof, to the Liabilities, whether or not then matured and without affecting the amount or time of subsequent installment payments required to be made by Borrower to Lender under the Note; (ii) to use the same, or any part thereof, to satisfy, perform or discharge any of the Obligations; (iii) to use the same, or any part thereof, to replace, repair or restore any or all of the Mortgaged Property to a condition satisfactory to Lender in accordance with the same conditions as set forth in Paragraph 4 i(i)(s) through (z) hereof; or (iv) to release the same to Borrower. Notwithstanding any taking by eminent domain, alteration of the grade of any street or other injury to or decrease in value of the Mortgaged Property by any public or quasi-public authority or corporation, Borrower shall continue to pay all of the Liabilities, as and when due and payable, until any such award or payment shall have been actually received by Lender, and any reduction in the Liabilities resulting from the application by Lender of such award or payment as herein set forth shall be deemed to take effect only on the date of such receipt and shall not affect the amount or time of subsequent installment payments required to be made by Borrower to Lender under the Note. If any portion of the Mortgaged Property is taken by eminent domain or condemnation, either temporarily or permanently, and the remaining portion of the Mortgaged Property is not, in the judgment of Lender, a complete economic unit having equivalent value to the Mortgaged Property as it existed prior to the taking, then, at the option of Lender, all Liabilities shall immediately become due and payable. If, prior to the receipt by Lender of such award or payment, the Mortgaged Property shall have been sold on foreclosure of this Mortgage, Lender shall have the right to receive such award or payment to the extent of any deficiency found to be due upon such sale, with legal interest thereon, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, and to the extent of the reasonable attorneys' fees, costs, expenses and disbursements incurred by Lender in connection with the collection of such award or payment. The power of attorney granted Lender under this paragraph shall be coupled with an interest and shall be irrevocable and same cannot be modified or altered without the written consent of Lender.

5. DUE ON SALE OR FURTHER ENCUMBRANCE

5.1. In determining whether or not to make the loan evidenced by the Note, Lender examined the credit-worthiness of Borrower, found it acceptable and relied and continues to rely upon same as the means of repayment of the Liabilities. Lender also evaluated the background and experience of Borrower in owning and operating property such as the Mortgaged Property, found it acceptable and relied and continues to rely thereon as the means of maintaining the value of the

UNOFFICIAL COPY

Mortgaged Property, which has been mortgaged to Lender to secure repayment of the Liabilities. Borrower is a business person or entity well-experienced in borrowing money and owning and operating property such as the Mortgaged Property, was ably represented by a licensed attorney at law in the negotiation and documentation of the Loan Documents and bargained at arm's length and without duress of any kind for all of the terms and conditions of the Loan Documents, including this Article 5. Borrower recognizes that Lender is entitled to keep its loan portfolio at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchased by a party other than the original Borrower. Borrower further recognizes that any secondary or junior financing placed upon the Mortgaged Property (a) may divert funds which would otherwise be used to pay the Liabilities; (b) could result in acceleration and foreclosure by any such junior encumbrancer which would force Lender to take measures and incur expenses to protect its security; (c) would detract from the value of the Mortgaged Property should Lender come into possession thereof with the intention of a sale thereof; and (d) may impair Lender's right to accept a deed in lieu of foreclosure, as a foreclosure by Lender would be necessary to clear the title to the Mortgaged Property.

5.2. In accordance with the foregoing and for the purposes of (i) protecting Lender's security, both of repayment by Borrower and of value of the Mortgaged Property; (ii) giving Lender the full benefit of its bargain and contract with Borrower; (iii) allowing Lender to raise the interest rate and/or collect assumption fees; and (iv) keeping the Mortgaged Property free of subordinate financing liens, Borrower agrees that if this Article 5, or any provision hereof, is deemed a restraint on alienation, that it is a reasonable one and that any sale, conveyance, assignment, further encumbrance or other transfer of title to the Mortgaged Property or any interest therein (whether voluntary or by operation of law) without the Lender's prior written consent shall be a Default hereunder. For the purpose of and without limiting the generality of, the preceding sentence, the occurrence at any time of any of the following events (hereinafter referred to as a "Prohibited Transfer"), at Lender's option, shall be deemed to be a Default hereunder:

(a) Any sale, disposition (other than a sale or disposition of any Equipment no longer useful in connection with the operation of the Premises, provided that prior to the sale or other disposition thereof such Equipment has been replaced by other Equipment of at least equal value and utility which is subject to the lien of this Mortgage with the same priority as the Equipment so sold or disposed of), conveyance, assignment, mortgage or other transfer of, or the grant of a security interest in, all or any part of the Mortgaged Property, or the entering into any agreement to sell, convey, assign or transfer, or grant a security interest in all or any part of the Mortgaged Property, or any other act which has the effect of transferring legal or equitable title to all or any part of the Mortgaged Property or Borrower's interest therein.

(b) Any lease of substantially all of the Mortgaged Property to a single tenant, or to a group of affiliated tenants, or the lease of any portion of the Mortgaged Property which includes any option to purchase or otherwise acquire any portion of the Mortgaged Property.

(c) The granting of any option to acquire all or any part of the Mortgaged Property.

UNOFFICIAL COPY

Borrower shall, from time to time, and upon the reasonable request of Lender, provide Lender with evidence satisfactory to Lender, that this Article 5 has not been violated.

6. ASSIGNMENT OF LEASES AND RENTS

6.1. So long as there shall not have occurred a Default under this Mortgage, Borrower shall have the right to collect all of the Rents arising from the Leases, or renewals thereof, and shall hold the same, in trust, to be applied first to the payment of all impositions, levies, interest, assessments and other charges upon the Mortgaged Property, secondly to the cost of the maintenance of insurance policies upon the Mortgaged Property required hereby, thirdly to the maintenance and repairs required hereby and lastly to the payment of the Liabilities and fulfillment of the Obligations, before using any part of the Rents for any other purposes.

6.2. Lender's agents shall have the right to verify the validity, amount or any other matter relating to any or all of the Leases, by mail, telephone, telegraph or otherwise, in the name of Lender, a nominee of Lender or in any or all of said names.

6.3. Upon the occurrence or existence of a Default, Lender, at its sole election and discretion, may do or require Borrower to do any one or more of the following:

(a) Borrower's right to use the Rents is terminated and upon written notice to Borrower any Rents then or thereafter coming into Borrower's possession are (to the extent the Liabilities remain due and owing to Lender and the Obligations remain unfulfilled) to be held in trust by Borrower for the benefit of Lender in a segregated manner and immediately delivered to Lender, and Borrower shall have no rights to use the Rents for any purpose whatsoever without the prior written consent of Lender.

(b) To the extent permitted by applicable law, Lender may, without notice and without bringing any action or proceeding or by a receiver appointed by a court, take possession of the Mortgaged Property and have, hold, manage, lease and operate the Mortgaged Property on such terms and for such period of time as Lender may deem proper. Lender shall not be liable for any loss sustained by Borrower resulting from Lender's failure to lease portions of the Mortgaged Property or from any other act or omission of Lender in managing the Mortgaged Property.

(c) Immediately upon demand by Lender, Borrower shall deliver to Lender the originals of the Leases, with appropriate endorsement and/or other specific evidence of assignment thereto to Lender which endorsement and/or assignment shall be in form and substance acceptable to Lender.

(d) Lender, then or at any time or times thereafter, at its sole election, without notice thereof to Borrower, may notify any or all of the obligors on the Leases that the Leases have been assigned to Lender and Lender (in its name, in the name of Borrower or in both names) may direct said obligors thereafter to make all payments due from them under the Leases directly to Lender.

UNOFFICIAL COPY

(e) Borrower, immediately upon demand by Lender, irrevocably shall direct all obligors of the Leases then and thereafter to make all payments then and thereafter due from them under the Leases directly to Lender.

(f) Lender shall have the right at any time or times thereafter, at its sole election, without notice thereof to Borrower, to enforce the terms of the Leases and obtain payment of and collect the Rents, by legal proceedings or otherwise, in the name of Borrower, Lender or in both names.

(g) Borrower irrevocably hereby designates, makes, constitutes and appoints Lender (and all persons designated by Lender) as Borrower's true and lawful attorney and agent in fact with power, without notice to Borrower and at such time or times thereafter as Lender, at its sole election, may determine, in the name of Borrower, Lender or in both names: (i) to demand payment of the Rents and performance of the Leases; (ii) to enforce payment of the Rents and performance of the Leases, by legal proceedings or otherwise; (iii) to exercise all of Borrower's rights, interests and remedies in and under the Leases and to collect the Rents; (iv) to settle, adjust, compromise, extend or renew the Leases and/or the Rents; (v) to settle, adjust or compromise any legal proceeding brought to collect the Rents or obtain performance of the Leases; (vi) to take control, in any manner, of the Rents; (vii) to prepare, file and sign Borrower's name on any proof of claim in bankruptcy, or of the Leases; (viii) to endorse the name of Borrower upon any payments or proceeds of the Rents and to deposit the same to the account of Lender; and (ix) to do all acts and things necessary, in Lender's sole discretion, to carry out any or all of the foregoing. The power of attorney granted Lender under this paragraph shall be coupled with an interest and shall be irrevocable and same cannot be modified or altered without the written consent of Lender.

6.4. All of the foregoing payments and proceeds received by Lender shall be utilized by Lender, at its sole election in its sole discretion, for any one or more of the following purposes: (i) to be held by Lender as additional collateral for the payment of the Liabilities and fulfillment of the Obligations; (ii) to be applied to the Liabilities and/or Obligations, in such manner and fashion and to such portions thereof as Lender, at its sole election, shall determine; (iii) to be applied to such obligations of Borrower or the Mortgaged Property or the operations or business thereof as Lender, at its sole election, shall determine appropriate or warranted under the then existing circumstances; or (iv) to be remitted to Borrower.

7. SECURITY AGREEMENT AND FINANCING STATEMENT.

7.1. This Mortgage shall constitute a security agreement within the meaning of the Code with respect to all sums on deposit with the Lender pursuant to terms hereof or otherwise ("Deposits") and with respect to any property included in the definition herein of the words "Mortgaged Property", which property is neither real property nor a "fixture" (within the meaning of Section 9-313 of the Code), and all replacements of such property, substitutions for such property, additions to such property, and the proceeds thereof (collectively, the "Other Collateral"), and Borrower hereby grants to Lender a security interest therein.

UNOFFICIAL COPY

7.2. Upon a Default, the Lender, pursuant to the appropriate provisions of the Code, shall have the option to proceed with respect to both the real property and Other Collateral in accordance with its rights, powers and remedies with respect to the real property, in which event the default provisions of the Code shall not apply. Lender shall have the remedies of a secured party under the Code, including without limitation, the right to take immediate and exclusive possession of the Other Collateral, or any part thereof, and for that purpose may, so far as Borrower can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any place where the Other Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Other Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and Lender shall be entitled to hold, maintain, preserve and prepare the Other Collateral for sale, until disposed of. Lender may render the Other Collateral unusable without removal and may dispose of the Other Collateral on the Premises. Lender may require Borrower to assemble the Other Collateral and make it available to Lender for its possession at a place to be designated by Lender which is reasonably convenient to both parties. Lender may buy at any public sale. Lender may buy at private sale if the Other Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Any such sale may be held in conjunction with any foreclosure sale of the Premises. If Lender so elects, the Premises and the Other Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling and the reasonable attorney's fees and legal expenses incurred by Lender, shall be applied against the Liabilities and Obligations in such order or manner as Lender shall select. Borrower agrees that if the Lender shall elect to proceed with a sale with respect to the Other Collateral separately from the Premises, any requirement of the Code for reasonable notice shall be met if such notice is made in accordance with the terms of this Mortgage at least ten (10) days prior to the time of sale. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by the Lender shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Lender. Lender shall not be obligated to make any sale of the Other Collateral regardless of notice having been given. The Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefore and such sale may, without further notice, be made at the time and place to which it is adjourned. The Borrower agrees that upon replacement of any part of the Other Collateral, such replacement or substituted Other Collateral shall be subject to the security interest created hereby and the security interest of the Lender shall be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the Other Collateral shall be and become immediately subject to the security interest of this Mortgage and covered hereby. The Borrower shall, from time to time, on request of the Lender, deliver to the Lender at the cost of the Borrower: (i) such further financing statements and security documents and assurances as Lender may require, to the end that the liens and security interests created hereby shall continue perfected in accordance with the requirements of any present or future law and (ii) an inventory of the Other Collateral in reasonable detail. The Borrower covenants and represents that all of the Other Collateral now is, and that all replacements thereof, substitutions therefor or additions thereto, unless the Lender otherwise consents, will be free and clear of liens, encumbrances, title retention devices and security interests of others and that no financing statement other than one in favor of Lender shall be executed and/or filed in connection therewith.

UNOFFICIAL COPY

7.3. This Mortgage is intended to be a financing statement within the purview of Section 9-402(6) of the Code with respect to the Other Collateral and the goods described herein, which goods are or may become fixtures relating to the Premises. The addresses of Borrower and Lender are hereinabove set forth. This Mortgage is to be filed for record with the Recorder of Deeds of the County or Counties where the Premises are located. Trustee is the record owner of the Premises.

8. ENVIRONMENTAL MATTERS

8.1. The Borrower represents and warrants to Lender that (A) the Borrower has not used any "Hazardous Materials" (as defined below) on, from or affecting the Mortgaged Property in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Material and, to the best of Borrower's knowledge, no prior owner of the Mortgaged Property or any existing or prior tenant, or occupant has used Hazardous Materials on, from or affecting the Mortgaged Property in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production, registration, reporting or disposal of Hazardous Materials; (B) Borrower has never received any notice of any violations (and is not aware of any existing violations) of federal, state, or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment transportation, manufacture, refinement, handling, production, registration, reporting or disposal of Hazardous Materials at the Mortgaged Property and, to the best of Borrower's knowledge, there have been no actions commenced or threatened by any party for noncompliance which affects the Mortgaged Property; (C) Borrower shall keep or cause the Mortgaged Property to be kept free of all underground and/or above ground storage tanks except to the extent that such underground and/or above ground storage tanks do not leak on and/or into the Mortgaged Property and are used in compliance with all applicable federal, state and local laws and regulations; (D) Borrower shall keep or cause the Mortgaged Property to be kept free of all Hazardous Materials except to the extent that such Hazardous Materials are stored and/or used in compliance with all applicable federal, state and local laws and regulations, and, without limiting the foregoing, Borrower shall not cause or permit the Mortgaged Property to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials, except in compliance with all applicable federal, state and local laws and regulations, nor shall Borrower cause or permit, as a result of any intentional or unintentional act or omission on the part of Borrower or any tenant, subtenant or occupant, a release, spill, leak or emission of Hazardous Materials onto the Mortgaged Property or onto any other contiguous property; (E) the Borrower shall conduct and complete all investigations, including a comprehensive environmental audit, studies, sampling, and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials on, under, from or affecting the Mortgaged Property as required by Lender or by all applicable federal, state and local laws, ordinances, rules, regulations and policies, to the satisfaction of Lender, and in accordance with the orders and directives of all federal, state and local governmental authorities. If the Borrower fails to conduct an environmental audit required by the orders and directives of any of the aforesaid governmental authorities or required by Lender, then Lender may at its option and at the expense of Borrower, conduct such environmental audit.

UNOFFICIAL COPY

8.2. Subject to the limitations set forth below, Borrower shall defend with counsel reasonably acceptable to Lender (at Borrower's sole cost), indemnify and hold harmless Lender, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses, including, without limitation, reasonable attorney's and consultant's fees, investigation and laboratory fees, court costs and litigation expenses, known or unknown, contingent or otherwise, arising out of or in any way related to (a) the presence, disposal, remediation of, release or threatened release of any Hazardous Materials on, over, under, from or affecting the Mortgaged Property or the soil, water, vegetation, buildings, personal property, persons or animals located thereon; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials on the Mortgaged Property; (c) any lawsuit or administrative proceeding brought or threatened, settlement reached or government order relating to such Hazardous Materials with respect to the Mortgaged Property; and/or (d) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of Lender, which are based upon or in any way related to such Hazardous Materials used in the Mortgaged Property; and (e) the presence on or under the Premises of underground or above ground storage tanks. Borrower, and its successors and assigns, hereby waive, release and agree not to make any claim or bring any cost recovery action against Lender under Environmental Law now existing or hereafter enacted. It is expressly understood and agreed that to the extent that Lender is strictly liable under any Environmental Laws, the Borrower's obligations to Lender under this paragraph shall likewise be without regard to fault on the part of the Borrower with respect to the violation or condition which results in liability to Lender. If Lender takes title to the Mortgaged Property through foreclosure or deed in lieu of foreclosure, the indemnity contained in this paragraph shall not apply to any loss or costs incurred by Lender as a direct result of affirmative actions of Lender as owner and operator of the Mortgaged Property after Lender has acquired title and which actions are the sole and direct cause of damage resulting from the introduction and initial release of a Hazardous Material at the Mortgaged Property by Lender; provided, however, Borrower's agreement to indemnify and hold harmless Lender as described herein shall otherwise remain in full force and effect, including, without limitation, with respect to Hazardous Materials which are discovered or released at the Mortgaged Property after Lender acquired title to the Mortgaged Property, but which were not actually introduced at the Mortgaged Property by Lender, with respect to the continuing migration or release of Hazardous Material previously introduced at or near the Mortgaged Property and which are situated at the Mortgaged Property prior to Lender taking title but are removed by Lender subsequent to such date.

8.3. Borrower agrees that in the event this Mortgage is foreclosed or the Borrower tenders a deed in lieu of foreclosure, Borrower shall, at Borrower's sole cost and expense and in accordance with all applicable Environmental Laws, deliver the Mortgaged Property to Lender free of any and all Hazardous Materials (a) which are then required to be removed (whether over time or immediately) pursuant to applicable federal, state and local laws, ordinances, rules or regulations affecting the Premises or (b) which may be legally allowed to remain on the Mortgaged Property but which Hazardous Materials Lender deems it prudent to remove or remediate.

8.4. For purposes of this Mortgage, "Hazardous Materials" includes, without limitation, petroleum, petroleum by-products, asbestos, polychlorinated biphenyls, flammable explosives,

UNOFFICIAL COPY

radioactive materials, oil and petroleum products, natural gas, natural gas liquids, liquified natural gas, synthetic gas usable for fuel, gasoline, and all other hazardous materials, hazardous wastes, hazardous or toxic substances, toxic pollutants, hazardous air pollutants or related materials as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601, et seq., the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Sections 6901, et seq., the Toxic Substances Control Act, as amended, 15 U.S.C. Sections 2601, et seq.; the Federal Insecticide Fungicide and Rodenticide Act, as amended, 7 U.S.C. Sections 136, et seq.; the Resource Conservation and Recovery Act, as amended, 16 U.S.C. Sections 3401, et seq.; the Clean Water Act, 33 U.S.C. 1251 et seq.; and the Clean Air Act, 42 U.S.C. 7401 et seq.; and all applicable state and local environmental laws, and the rules, regulations and ordinances adopted and publications promulgated pursuant to said laws and ordinances, as any of the foregoing laws, ordinances, rules and regulations may be amended from time to time, and any other federal, state or local laws or ordinances, now or hereafter existing, relating to regulation or control of toxic or hazardous substances, wastes or materials (all the foregoing being referred to herein as the "Environmental Laws").

9. DEFAULT

9.1. The occurrence of any one or more of the following events shall constitute a "Default" under this Mortgage:

- (a) Failure to timely pay any of the Liabilities when due or declared due pursuant to the Note or any of the other Loan Documents.
- (b) Failure of Borrower to fully and faithfully satisfy, perform, discharge, observe and comply with the Obligations to be performed by Borrower and such failure shall remain unremedied for fifteen (15) days after written notice thereof shall have been made by Lender to Borrower.
- (c) If any representation or warranty made herein, in the Note, any of the other Loan Documents, or in any certificate, document, financial or other statement furnished at any time to Lender under or in connection with the Loan Documents shall prove to have been incorrect, incomplete or misleading in any material respect on or as of the date made or deemed made.
- (d) The occurrence of a Prohibited Transfer as defined under Article 5.
- (e) A petition in bankruptcy is filed by or against Borrower seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any law relating to bankruptcy or insolvency (and in the case of an involuntary petition, such petition is not discharged within thirty (30) days of its filing); or Borrower seeks or consents to or acquiesces in the appointment of any custodian, receiver, trustee, master or liquidator of itself or of all of the rent, revenues, issues, earnings, profits or incomes of Borrower to, or of the Mortgaged Property is appointed, or if Borrower makes an assignment for the benefit of creditors, or if Borrower is adjudged

UNOFFICIAL COPY

insolvent by any state or federal court of competent jurisdiction, or an attachment or execution is levied against any of the Mortgaged Property and is not discharged within thirty (30) days from the commencement thereof. If Borrower is a partnership, then for purposes of this subparagraph, the term "Borrower" shall also include each general partner of Borrower.

(f) The occurrence or existence of a Default as defined in the Note, or in any of the other Loan Documents.

(g) The occurrence or existence of any default, event of default or breach of or under any agreement, instrument or document, subject to any applicable grace or cure period contained therein, for borrowed money by which the Mortgaged Property or the Borrower is bound or obligated.

(h) A substantial part of Borrower's assets are attached, seized, subject to a writ or distress warrant or are levied upon, unless such writ, warrant or levy is vacated within thirty (30) days. If Borrower is a partnership then for the purposes of this subparagraph, the term Borrower shall also include each general partner of Borrower.

(i) A materially adverse change in the financial condition of Borrower.

10. REMEDIES

10.1. Upon the occurrence or existence of a Default, Lender, after notice and demand insofar as required hereby, or by applicable law, in its sole discretion and at its sole election, without notice of such election, and without further demand, may do any one or more of the following:

(a) Exercise any right or remedy set forth in any other Article of this Mortgage, or in the Note, or in any of the Loan Documents.

(b) If the Default is the failure to perform any of the Obligations, to perform any such Obligation on Borrower's behalf, and any amounts paid by Lender in taking such action, together with interest thereon at the Default Rate, from the date of Lender's payment thereof until repaid by Borrower to Lender, shall be due and payable by Borrower to Lender upon demand, and, until paid, shall constitute a part of the Liabilities secured by this Mortgage and bear interest at the Default Rate. Notwithstanding the foregoing, such advances by Lender shall not be deemed to relieve Borrower from a Default hereunder or impair any right or remedy of Lender consequent thereon. The exercise of the right to take such action shall be optional with Lender and not obligatory upon Lender and Lender shall not in any case be liable to Borrower for failure or refusal to exercise any such right. In making any payments pursuant to the exercise of any such right, Lender shall have no obligations to inquire into the validity of the bill, or to contest the bill or amount thereof, and may rely upon any bills delivered to it by Borrower or any payee and shall not be liable for any failure to make payments in any amounts other than as set forth in any such bills.

UNOFFICIAL COPY

- (c) Declare all of the Liabilities immediately due and payable and collect the same at once by foreclosure or otherwise, without notice of broken covenants or condition (and in case of a Default and the exercise of such option, the Liabilities shall bear interest, from the date of such default, at the Default Rate until paid in full).
- (d) File a suit for the foreclosure of this Mortgage and/or to collect the Liabilities in accordance with the Illinois Mortgage Foreclosure Act, (735 ILCS 5/15 1101) (the "Act").
- (e) Lender shall have the right, either before or after sale, without notice and without requiring bond (notice and bond being hereby waived), without regard to the solvency or insolvency of Borrower at the time of application and without regard to the then value of the Mortgaged Property or whether the same is then occupied, to make or require Borrower to make application for and obtain the appointment of a receiver for the Mortgaged Property. Such receiver shall have the power to collect the Rents during the pendency of such suit and, in case of a sale and a deficiency, during the full statutory period of redemption if any, as well as during any further times when Borrower, except for the intervention of such receiver, would be entitled to collect the Rents, and shall have all other powers which may be necessary or usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property. The court before which such suit is pending may from time to time authorize the receiver to apply the net income in his hands in payment, in whole or in part, of the Liabilities and Obligations.
- (f) Either with or without process of law, forcibly or otherwise, but solely to the extent permitted by applicable law, enter upon and take immediate possession of the Mortgaged Property, expel and remove any persons, goods or chattels occupying or upon the same, receive all Rents, and issue receipts therefor, manage, control and operate the Mortgaged Property as fully as Borrower might do if in possession thereof, including without limitation, the making of all repairs and replacements deemed necessary by Lender and the leasing of the same, or any part thereof, from time to time, and, after deducting all reasonable attorneys' fees and all costs and expenses incurred in the protection, care, maintenance, management and operation of the Mortgaged Property, apply the remaining net income, if any, to the Liabilities and Obligations or upon any deficiency decree entered in any foreclosure proceeding or after a sale hereunder. At the option of Lender, to the extent permitted by law, such entry and taking of possession shall be accomplished either by actual entry and possession or by written notice served personally upon or sent by registered mail to the Borrower at the address of Borrower last appearing on the records of Lender. Borrower agrees to surrender possession of the Mortgaged Property to Lender immediately upon the occurrence of a Default. If Borrower shall remain in physical possession of the Mortgaged Property, or any part thereof, after any such Default, such possession shall be as a tenant of Lender, and Borrower agrees to pay to Lender, or to any duly appointed receiver, after such Default, a reasonable monthly rental for the Mortgaged Property, or the part thereof so occupied by the Borrower, to be applied as provided above in the first sentence of this subparagraph, and to be paid in advance on the first day of each calendar month, and, in default of so doing, Borrower may be dispossessed by the usual summary proceedings. In the event Borrower shall so remain in possession of all, or any part of, the Mortgaged

UNOFFICIAL COPY

Property, said reasonable monthly rental shall be in amounts established by Lender in its sole discretion. This covenant shall be effective irrespective of whether any foreclosure proceeding shall have been instituted and irrespective of any application for, or appointment of, a receiver.

(g) Exercise, in Lender's sole discretion, all rights of Borrower under all Licenses and to retain, use and enjoy same or sell, assign or transfer same (with appropriate governmental consent where necessary) in connection with the enforcement of Lender's rights and remedies under this Mortgage.

(h) Exercise of any other remedies or rights permitted or provided under or by the laws or decisions of the State of Illinois (including all remedies and rights of a secured party under the Code), accruing to a secured party upon a default by a borrower and/or debtor or otherwise available hereunder, under the Note, under any of the other Loan Documents, or provided by applicable statute or case law, and whether exercisable at law or in equity. Nothing contained in this Mortgage shall be construed as constituting Lender a mortgagee in possession in the absence of the actual taking of possession of the Premises.

10.2. In any suit to foreclose the lien hereof, there shall be allowed and included as additional Liabilities due from Borrower to Lender in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of Lender for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true conditions of the title to or the value of the Mortgaged Property, and any other expenses and expenditures which may be paid or incurred by or on behalf of Lender and permitted by the Act to be included in such decree. All expenditures and expenses of the nature mentioned in this Paragraph, and such other expenses and fees as may be incurred in the protection of the Mortgaged Property and income therefrom and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Lender in any litigation or proceedings affecting this Mortgage, the Note or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional Liabilities and shall be immediately due and payable by Borrower, with interest thereon at the Default Rate until paid.

10.3. The proceeds of any foreclosure sale of the Mortgaged Property shall be applied and distributed, first, on account of the fees, charges, costs and expenses described in Paragraph 10.2 above, secondly, to the balance of the Liabilities and Obligations, and thirdly, the surplus, if any, to Borrower.

10.4. All rights and powers of Lender under Article 10 hereof shall, from and after the entry of judgment of foreclosure, continue in the Lender as decree creditor until confirmation of sale. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any policy, if not applied in rebuilding or restoring the Mortgaged Property, shall be used to pay the

UNOFFICIAL COPY

amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. The foreclosure decree may provided that the mortgagee's clause attached to each of the policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said decree creditors. In the event of foreclosure sale, Lender may, without the consent of Borrower, assign any policies to the purchaser at the sale, or take such other steps as Lender may deem advisable to protect the interest of such purchaser.

10.5. To the full extent permitted by law, Borrower agrees that it will not at any time or in any manner whatsoever take any advantage of any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor take any advantage of any law nor or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or claim or exercise any rights under any statute now or hereafter in force to redeem the property or any part thereof, or relating to the marshalling thereof, on foreclosure sale or other enforcement hereof. To the full extent permitted by law, Borrower hereby expressly waives any and all rights it may have to require that the Mortgaged Property be sold as separate tracts or units in the event of foreclosure. To the full extent permitted by law, Borrower hereby expressly waives any and all rights to redemption and reinstatement under the Act, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Borrower and on behalf of each and every person acquiring any interest in or title to the Mortgaged Property subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Borrower and such other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Borrower agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of every such right, power or remedy herein or otherwise granted or delegated to Lender, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Borrower hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note. Borrower acknowledges that the Premises do not constituted agricultural real estate as defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act.

10.6. In case of Default, either before or after acceleration of the Liabilities or the foreclosure of the lien hereof, Lender may, but shall not be required to, make any payment or perform any act herein required of Borrower (whether or not Borrower is personally liable therefor) in any manner deemed expedient to Lender. Lender may, but shall not be required to, complete construction, furnishing and equipping of any improvements to the Premises and rent, operate and manage the Mortgaged Property and pay operating costs, including management fees, of every kind in connection therewith, so that the Mortgaged Property shall be usable for its intended purposes. All such monies paid and expenses incurred, including attorneys' fees, shall be so much additional Liabilities, whether or not the Liabilities, as a result thereof, shall exceed the face amount of the Note, and shall become immediately due with interest thereon at the Default Rate. Inaction of Lender shall never be considered as a waiver of any right accruing to it on account of any Default

UNOFFICIAL COPY

nor shall the provisions of this paragraph or any exercise by Lender of its rights hereunder prevent any default from constituting a Default. Lender, in making any payment hereby authorized (a) relating to taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien which may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, furnishing or equipping of the Mortgaged Property or the rental, operation or management of the Mortgaged Property or the payment of operating costs thereof, may do so in such amounts and to such persons as Lender may deem appropriate. Nothing contained herein shall be construed to require Lender to advance monies for any purpose.

10.7. The rights and remedies of Lender hereunder are cumulative and are not in derogation of, secondary to or in lieu of but are in addition to any rights or remedies which the Lender shall have under the Note or any other Loan Document or any other instrument or document or under applicable law and the exercise by Lender of any rights and remedies herein contained shall not be deemed a waiver of any other rights or remedies of Lender, whether arising under the Mortgage, the Loan Documents or otherwise, each and all of which may be exercised whenever Lender deems it in its interest to do so. The rights and remedies of the Lender may be exercised from time to time and as often as such exercise is deemed expedient and the failure of the Lender to enforce any of the terms, provisions and conditions of this Mortgage for any period of time, at any time or times, shall not be construed or deemed to be a waiver of any rights under the terms hereof.

10.8. In case Lender shall have proceeded to invoke any right, remedy or recourse permitted hereunder, under the Note or under any of the Loan Documents, and shall thereafter elect to discontinue or abandon the same for any reason, Lender shall have the unqualified right so to do and, in such event, Lender and Borrower shall be restored to their former positions and otherwise, and the rights, remedies, recourses and power of Lender shall continue as if same had never been invoked.

10.9. If, following the occurrence of a Default and an acceleration of the Note but prior to the sale of the Mortgaged Property, Borrower shall tender to Lender payment of an amount sufficient to satisfy all of the Liabilities and Obligations, such payment shall be deemed to be a voluntary prepayment under the Note and, accordingly, Borrower shall also pay to Lender the premium (if any) then required under the Note in order to exercise the prepayment privilege contained therein.

10.10. Upon and after the occurrence of a Default, Lender shall not be obligated to accept and cure or attempted cure by Borrower, except to the extent required by applicable law.

11. MISCELLANEOUS

11.1. Any failure of Lender to insist upon the strict performance by Borrower of any of the terms and provisions of this Mortgage, the Note or the other Loan Documents shall not be deemed to be a waiver of any of the terms and provisions thereof, and Lender, notwithstanding any

UNOFFICIAL COPY

such failure, shall have the right at any time or times thereafter to insist upon the strict performance by Borrower of any and all of the terms and provisions thereof to be performed by Borrower.

11.2. Lender, without notice, may release, regardless of consideration, any part of the security held for the Liabilities and Obligations, (including, without limitation, any guarantor) without, as to the remainder of the security therefor, in any way impairing or affecting the lien of this Mortgage or the priority of such lien over any subordinate lien. Lender may resort for the payment of the Liabilities and performance of the Obligations to any other security therefor held by the Lender in such order and manner as Lender may elect.

11.3. Every provision for notice, demand or request required in this Mortgage or by applicable law shall be deemed fulfilled by written notice, demand or request personally served on (or mailed to, as hereinafter provided) the party entitled thereto or on its successors or assigns. If mailed, such notice, demand or request shall be made by certified or registered mail, and deposited in any post office station or letter-box, enclosed in a postage paid envelope addressed to such party at its address set forth below or to such other address as either party shall direct by like written notice and shall be deemed to have been made on the third (3rd) day after posting as aforesaid. If sent by commercial courier which guarantees next day delivery, such notice, demand or request shall be deemed to have been made on the first (1st) business day after delivery to the courier, with fee paid and next day delivery designated. For purposes herein, notices shall be sent to Borrower and Lender as follows:

To Borrower:

Gita G. Thakkar
3909 Charlie Court
Glenview, Illinois

To Lender:

Effie Dis
Nicholas Terzis
3413 Bellwood Lane
Glenview, Illinois 60025

or at such place or to such other person as any party may by notice in writing designate in the manner described above as a place for the service of notice. Failure to deliver courtesy copies shall not affect the validity of service between the parties.

11.4. All the covenants contained in this Mortgage will run with the land and be binding on any successor owner of the land.

11.5. Borrower, within ten (10) days after written request by Lender therefor, will certify, in writing, to Lender, or to any proposed assignee of this Mortgage, the amount of principal

UNOFFICIAL COPY

and interest then owing and unpaid under the Note and whether Borrower has or asserts any offsets or defenses thereto.

11.6. Borrower, promptly upon written request by Lender, at Borrower's sole expense, will or will cause to be made, executed and delivered to Lender, in form and substance acceptable to Lender, all documents and instruments that Lender is reasonably advised are and/or reasonably deems necessary or appropriate to evidence, document or conclude the transactions described in and/or contemplated by this Mortgage, the Note or the other Loan Documents or required to perfect or continue perfected, as valid encumbrances, the encumbrances granted herein or in the other Loan Documents by Borrower to Lender, upon the Mortgaged Property.

11.7. This Mortgage and all provisions hereof shall be binding upon the Borrower their successors, assigns, executors, administrators and legal representatives and all other persons or entities claiming under or through them, or either of them. The word "Lender," when used herein, shall include Lender's successors, assigns, and legal representatives, including all other holders, from time to time, of the Note.

11.8. This Mortgage shall be governed by the laws (without giving effect to the conflicts of laws principles thereof) of the State of Illinois in which State the Note and this Mortgage were executed and delivered, the Mortgaged Property is located and the principal and interest due under the Note are to be paid. Wherever possible each provision of this Mortgage shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provisions of this Mortgage shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Mortgage. Time is of the essence of this Mortgage. Whenever pursuant to this Mortgage Lender exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Lender, the decision of Lender to approve or disapprove or to decide the arrangement or terms are satisfactory or not satisfactory shall be in the sole discretion of Lender and shall be final and conclusive. Neither this Mortgage nor any provision hereof may be amended, modified, waived or discharged orally.

11.9. As used herein, the term "Default Rate" shall mean the Default Rate set forth in the Note.

11.10. Nothing herein shall be deemed or construed, nor shall the exercise by Lender of any rights, privileges or remedies conferred under this Mortgage, the Note or the other Loan Documents, render Lender and Borrower liable as joint venturers or partners in any way with respect to the Mortgaged Property.

11.11. The captions, titles and headings used in this Mortgage are inserted for convenience only, and shall not be construed in any way to limit or define the content, scope or intent of the provisions thereof.

11.12. No offset, claim, set-off right (including any such right which may be reduced to judgment) shall relieve Borrower of its obligations hereunder to pay the Liabilities and to perform the Obligations. Borrower consents and agrees that any claim or right which it may have against

UNOFFICIAL COPY

Lender it shall collect or assert only in an action separate from this Mortgage, and not as an offset, set-off, counterclaim or reduction of any amounts due hereunder, under the Note or under any of the other Loan Documents.

11.13. Lender shall be subrogated for its further security to the lien, whether or not released of record, of any and all encumbrances which were paid or discharged from the proceeds of the loan evidenced by the Note, from any of the Future Advances, as hereafter defined, and from any funds which, pursuant to the terms hereof, should have been paid to Lender; provided, however, that such subrogation shall not amend any of the terms and provisions hereof, or in any manner change the obligations of Borrower to Lender hereunder.

11.14. If the Mortgaged Property is not managed by the Borrower, then it shall be managed by a property manager or property management company and leased by a leasing company. The identity of said property management company and/or leasing company and the terms of any management or leasing contract or subcontract must be approved by Lender and Borrower shall not execute any such contract prior to obtaining the written consent of Lender thereto. The Mortgaged Property shall at all times be managed in a manner reasonably satisfactory to Lender. Any management contract or subcontract entered into for the Mortgaged Property shall contain provisions that (i) the contract may be terminated upon two (2) days' prior written notice by Lender, at its option, if Lender or its successors and assigns acquires the Mortgaged Property by foreclosure of this Mortgage, by deed in lieu thereof or otherwise or upon the occurrence or existence of a Default hereunder and (ii) provide that the lien if any of said manager in and to the Mortgaged Property for any amount due under said management contract shall be subject and subordinate to the lien granted to Lender under this Mortgage.

11.15. This Mortgage secures not only the proceeds of the loan evidenced by the Note, but all advances hereafter made by Lender to or for the benefit of Borrower (the "Future Advances"), including, without limitation, any amounts advanced by Lender in satisfying, on Borrower's behalf, any of the Obligations, and any advances made by Lender to protect its security, and any other advances by Lender which shall not, in the aggregate exceed two hundred (200%) percent of the face amount of the Note.

11.16. If the payment of the Liabilities or performance of the Obligations, or any part thereof, be extended or varied, or if any part of the security or guaranties therefor be released, all persons now or at any time hereafter liable therefor, or interested in the Mortgaged Property, shall be held to assent to such extension, variation or release, and their liability, and the lien, and all provisions hereof, shall continue in full force and effect; the right of recourse against all such persons being expressly reserved by Lender, notwithstanding any such extension, variation or release. Any person, firm or corporation taking a junior mortgage, or other lien upon the Mortgaged Property or any part thereof or any interest therein, shall take the said lien subject to the rights of Lender to amend, modify, extend or release the Note, this Mortgage or any other Loan Document, in each case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

11.17. It is the desire and intention of the parties hereto that this Mortgage and the lien hereof shall not merge in fee simple title to the Mortgaged Property, unless a contrary intent is ever

UNOFFICIAL COPY

manifested by Lender as evidenced by an express statement to that effect in an appropriate document duly recorded. Therefore, it is hereby understood and agreed that should Lender acquire any additional or other interest in or to the Mortgaged Property or the ownership thereof, then this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

11.18. BORROWER BY ITS EXECUTION HEREOF WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM, WHETHER IN CONTRACT OR TORT, AT LAW OR EQUITY, ARISING OUT OF OR IN ANY WAY RELATED TO THIS MORTGAGE. THIS WAIVER OF RIGHT TO JURY TRIAL IS KNOWINGLY AND VOLUNTARILY GIVEN AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE.

11.19. BORROWER HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS AND OF ANY ILLINOIS STATE COURT SITTING IN CHICAGO, ILLINOIS OR IN ANY COUNTY IN ILLINOIS WHEREIN THE MORTGAGED PROPERTY IS LOCATED AND FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS MORTGAGE (INCLUDING WITHOUT LIMITATION ANY OF THE OTHER LOAN DOCUMENTS) OR THE TRANSACTIONS CONTEMPLATED HEREBY. BORROWER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH BORROWER MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SAID COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

BORROWER:

Gita G. Thakkar

Gita G. Thakkar

UNOFFICIAL COPY

STATE OF ILLINOIS)
)
COUNTY OF Cook) SS.

I, Alka Patel, a Notary Public in and for said County, in the State aforesaid, DO
HEREBY CERTIFY, that Gita G. Thakkar, who is personally known to me to be the same person
whose name is subscribed to the foregoing instrument appeared before me this day in person and
acknowledged that she signed and delivered the said instrument as her own free and voluntary act
for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 07 day of 21st, 2004



Alka Patel
Notary Public

My Commission Expires: 05/17/04

UNOFFICIAL COPY

EXHIBIT A

Secured Promissory Note

\$435,200.00

July 22, 2004

Borrower: GITA G. THAKKAR
 Payees: ELFIE DIS & NICHOLAS TERZIS
 Place for Payment: 3413 Bellwood Lane, Glenview, IL 60025

INTEREST RATE: The interest rate shall be fixed for the term of the loan at 5.5%.

PAYMENT TERMS: This Note is due and payable as follows, to-wit: Payment of principal and interest will be paid in equal monthly payments of \$2,471.02. The first such payment due and payable on the 1st day of September, 2004 and a like installment shall be due and payable on the same day of each succeeding month thereafter until the final payment of the full remaining principal balance with any remaining interest is paid in full on August 1, 2009.

BORROWER'S PRE-PAYMENT RIGHT. Borrower reserves the right to prepay this Note in whole or in part, prior to maturity, without penalty.

PLACE FOR PAYMENT. Borrower promises to pay to the order of Payees at the above address as stated for payment according to the terms for payment of the principal amount plus interest at the rates stated above. All unpaid amounts shall be due by the final scheduled payment date.

DEFAULT AND ACCELERATION CLAUSE. If Borrower defaults in the payment of this Note or in the performance of any obligation for 10 consecutive days, then Payee may declare the unpaid principal balance and earned interest on this Note immediately due.

PAST DUE CHARGES. Failure by Borrower to remit any payment by the 10th day following the date that such payment is due will cost the Borrower five (5%) percent of the then required monthly payment per month as a late fee.

FORM OF PAYMENT. Any check, draft, Money Order, or other instrument given in payment of all or any portion hereof may be accepted by the holder.

ATTORNEY'S FEE. If this Note is given to an attorney for collection or enforcement, or if suit is brought for collection or enforcement, or if it is collected or enforced through probate, bankruptcy, or other judicial proceeding, then Borrower shall pay Payee all costs of collection and enforcement, including reasonable attorney's fees and court costs in addition to other amounts due.

SEVERABILITY. If any provision of Note or the application thereof shall, for any reason and to any extent, be invalid or unenforceable neither the remainder of this Note nor the application of

UNOFFICIAL COPY

the provision to other persons, entities or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.

BINDING EFFECT. The covenants, obligations and conditions herein contained shall be binding on and inure to the benefit of the heirs, legal representatives, and assigns of the parties hereto.

DESCRIPTIVE HEADINGS. The descriptive headings used herein are for convenience of reference only and they are not intended to have any effect whatsoever in determining the rights or obligations under this Note.

CONSTRUCTION. The pronouns used herein shall include, where appropriate, either gender or both, singular and plural.

GOVERNING LAW. This Note shall be governed, construed and interpreted by, through and under the Laws of the State of Illinois.

Borrower is responsible for all obligations represented by this Note.

EXECUTED this 22nd day of July, 2007.

Gita Thakker

S:\client\099999\0805\C0399579.1

LEGAL DESCRIPTION:

UNOFFICIAL COPY

THE WEST 15.0 FEET OF THE EAST 330.0 FEET OF THE NORTH 15.0 OF THE SOUTH 340.0 FEET AND THE WEST 90.0 FEET OF THE EAST 420.0 FEET OF THE NORTH 110.0 FEET OF THE SOUTH 340.0 FEET AND THE WEST 35.0 FEET OF THE EAST 420.0 FEET OF THE NORTH 15.0 FEET OF THE SOUTH 355.0 FEET, ALL BEING OF THAT PART OF THE NORTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 24, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE NORTH LINE OF THE SOUTH 226.23 FEET OF SAID NORTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 24 AND LYING SOUTH OF THE SOUTHERLY LINE OF RELOCATED PALATINE ROAD AND LYING NORTH AND WEST OF A LINE DESCRIBED AS BEGINNING AT A POINT ON THE NORTH LINE OF THE SOUTH 226.23 FEET OF THE NORTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 24, 1107.90 FEET WEST OF THE CENTER LINE OF MILWAUKEE AVENUE (AS MEASURED ON SAID NORTH LINE); THENCE NORTH AT RIGHT ANGLES TO SAID NORTH LINE OF THE SOUTH 226.23 FEET, 215.00 FEET; THENCE EAST AT RIGHT ANGLES TO THE LAST DESCRIBED LINE 30.00 FEET; THENCE NORTH AT RIGHT ANGLES TO THE LAST DESCRIBED LINE 327.15 FEET TO THE SOUTHERLY LINE OF RELOCATED PALATINE ROAD, ALL IN COOK COUNTY, ILLINOIS, ACCORDING TO THE PLAT OF SURVEY REGISTERED AS DOCUMENT NUMBER 2522806 (EXCEPTING THEREFROM THOSE PARTS THEREOF LYING SOUTH OF A LINE DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF SAID NORTHEAST 1/4 AND SOUTH LINE OF THE NORTH 15 CHAINS THEREOF, SAID POINT BEING 990 FEET SOUTH OF THE NORTHWEST CORNER OF SAID NORTHEAST 1/4; THENCE EAST ON SAID SOUTH LINE OF THE NORTH 15 CHAINS OF SAID NORTHEAST 1/4, 886.50 FEET; THENCE NORTHERLY 246 FEET TO A POINT WHICH IS 891 FEET EAST OF THE WEST LINE OF SAID NORTHEAST 1/4 (MEASURED ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID NORTHEAST 1/4 AND 744 FEET SOUTH OF THE NORTH LINE OF SAID NORTHEAST 1/4 (MEASURED ALONG A LINE PARALLEL WITH THE WEST LINE OF SAID NORTHEAST 1/4); THENCE EAST 1425 FEET TO A POINT ON THE CENTER LINE OF MILWAUKEE AVENUE WHICH POINT IS 738.18 FEET SOUTH OF THE NORTH LINE OF SAID NORTHEAST 1/4 (MEASURED ALONG A LINE PARALLEL WITH THE WEST LINE OF SAID NORTHEAST 1/4), EAST IN THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Clerk's Office

UNOFFICIAL COPY

EXHIBIT C

PERMITTED ENCUMBRANCES

1. Right of way for drainage tiles, ditches, feeders and laterals.
2. Easement for ingress and egress and public utility and drainage as shown on certificate appended to Plat of Subdivision.
3. Perpetual rights and easements under Plat of Easements dated July 8, 1970 and recorded July 10, 1970 as Document Number 21266396

S:\CLIENT\099999\0805\C0394001.1