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**MORTGAGE, ASSIGNMENT
OF RENTS AND
SECURITY
AGREEMENT**

This document prepared by and after
Recording mail to:

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10603792

THIS MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT is made as of the 15th day of April, 2005, by and between **20 EAST JACKSON LLC**, an Illinois limited liability company ("**Mortgagor**") and **NW LOAN LLC** ("**Lender**").

RECITALS

WHEREAS, Mortgagor is indebted to Lender in the principal sum of **TWO MILLION SEVEN HUNDRED THOUSAND AND NO/100 DOLLARS (\$2,700,000.00)**, or so much thereof as may be now or hereafter disbursed to or for the benefit of Maker (as defined below), which indebtedness is evidenced by that certain Mortgage Note from Mortgagor in the amount of **TWO MILLION SEVEN HUNDRED THOUSAND AND NO/100 DOLLARS (\$2,700,000.00)** dated of even date herewith and all modifications, substitutions, extensions, replacements and renewals thereof (collectively, the "**Note**") providing for repayment of principal and interest and providing for a final payment of all sums due thereunder on or before April 30, 2008. All obligors on the Note are collectively referred to herein as "**Maker**".

THE GRANT

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all charges provided herein and all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements contained herein and in the Note, all future advances and all other indebtedness of Mortgagor to Lender whether now or hereafter existing (collectively, the "**Secured Indebtedness**" or "**Indebtedness**") and also in consideration of Ten and 00/100 Dollars (\$10.00), the receipt and sufficiency whereof is acknowledged, Mortgagor does hereby convey, grant, mortgage and warrant to Lender the real estate ("**Real Estate**" or "**Property**") located in the County of Cook, State of Illinois and described on **Exhibit A**, attached hereto and incorporated by reference;

TOGETHER WITH all buildings, structures, improvements, tenements, fixtures, easements, mineral, oil and gas rights, appurtenances thereunto belonging, title or reversion in any parcels, strips, streets and alleys adjoining the Real Estate, any land or vaults lying within any street, thoroughfare, or alley adjoining the Real

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Estate, and any privileges, licenses, and franchises pertaining thereunto, all of the foregoing now or hereafter acquired, all leasehold estates and all rents, issues, and profits thereof, for so long and during all such times as Mortgagor, its successors and assigns may be entitled thereto, all the estate, interest, right, title or other claim or demand which Mortgagor now has or may hereafter have or acquire with respect to: (i) proceeds of insurance in effect with respect to the Real Estate or improvements thereon and (ii) any and all awards, claims for damages, judgments, settlements and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Real Estate or improvements thereon, including, without limitation, any awards and compensation resulting from a change of grade of streets and awards and compensation for severance damages (collectively "**Awards**") (which are each pledged primarily and on a parity with the Real Estate and not secondarily), and all apparatus, equipment or articles now or hereafter located thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, and any other apparatus, equipment or articles used or useful in the operation of the Real Estate or improvements thereon including all additions, substitutions and replacements thereof. All of the foregoing are declared to be a part of the Real Estate whether physically attached or not. All similar apparatus, equipment, articles and fixtures hereafter placed on the Real Estate by Mortgagor or its successors or assigns shall be considered as constituting part of the Real Estate. (All of the foregoing, together with the Real Estate (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "**Property**").

To have and to hold the Property unto the Lender, its successors and assigns forever, for the purposes and uses set forth herein, free from all rights and benefits under any Homestead Exemption laws of the state in which the Property is located, which rights and benefits Mortgagor does hereby expressly release and waive.

COVENANTS AND AGREEMENTS

Mortgagor and Lender covenant and agree as follows:

1. **PAYMENT OF PRINCIPAL AND INTEREST.** Mortgagor shall promptly pay or cause to be paid when due all Secured Indebtedness in the manner provided for in the Note, this Mortgage and any other Loan Documents (as hereinafter defined).

2. **APPLICATION OF PAYMENTS.** Unless prohibited by applicable law, all payments received by Lender under this Mortgage, the Note if any, and all documents given to Lender to further evidence, secure or guarantee the Secured Indebtedness (collectively, and as amended, modified or extended, the "**Loan Documents**") shall be applied by Lender first to any sums advanced by Lender pursuant to Paragraph 7 to protect the security of this Mortgage, then to interest payable on the Note, if any, and then to Note principal (and if principal is due in installments, application shall be to such installments in the inverse order of their maturity).

Any applications to principal of proceeds from insurance policies, as provided in Paragraph 6, or of condemnation awards, as provided in Paragraph 8, shall not extend or postpone the due date of any monthly installments of principal or interest, or change the amount of such installments or of the other charges or payments provided in the Note or other Loan Documents.

3. **TAXES AND ASSESSMENTS; RENTS.** Mortgagor shall pay or cause to be paid when due all real estate taxes and water, sewer and other charges, fines and taxes attributable to the Property and leasehold payments, if any, and all other sums due under any ground lease attributable to the Property. Mortgagor shall

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provide evidence satisfactory to Lender of compliance with these requirements promptly after the respective due dates for payment. Mortgagor shall pay, in full, but under protest in the manner provided by Statute, any tax or assessment Mortgagor desires to contest.

4. **INSURANCE.** At all times, Mortgagor shall insure and keep insured the Property against such perils and hazards, and in such amounts and with such limits, as required by the Lender.

All insurance shall: (i) be in form and content satisfactory to Lender; (ii) have attached standard non-contributing mortgagee clauses and shall cause the Lender to be insured as an "additional insured"; and (iii) provide thirty (30) days advance written notice to Lender before cancellation or material modification. Upon request of Lender, originals of all policies and renewals (or certificates evidencing the same), marked "paid", shall be delivered to Lender at least thirty (30) days before the expiration of existing policies. Mortgagor shall give immediate notice of any casualty loss to Lender.

In case of loss covered by any of such policies, Mortgagor shall immediately give Lender and the insurance companies that have insured against such risks, notice of such loss and Mortgagor (subject to Lender's consent, not to be unreasonably withheld), is authorized to adjust, collect and compromise in its discretion, all claims thereunder and in such case, the Lender covenants to sign upon demand, all necessary proofs of loss, receipts, releases, and other papers required by the insurance companies to be signed by the Lender. Notwithstanding the foregoing, in the event of a total casualty or in the event of a Default, or event or condition which, with the giving of notice and passage of time would constitute a Default, shall have occurred hereunder or under any of the other Loan Documents, Lender is hereby authorized to either: (1) settle, adjust or compromise any claim under any insurance policies and Lender shall act in its sole and absolute discretion without the consent of Mortgagor; or (2) allow Mortgagor to settle, adjust or compromise any claims for loss with the insurance company or companies in the amount to be paid upon the loss.

5. **USE, PRESERVATION AND MAINTENANCE OF PROPERTY.** Mortgagor shall keep the Property in good condition and repair and shall not commit waste or permit impairment or deterioration of the Property. Mortgagor shall not allow, store, treat or dispose any hazardous materials, nor permit the same to exist or be stored, treated or disposed of, from or upon the Property. Mortgagor shall promptly restore or rebuild any buildings or improvements now or hereafter on the Property which may become damaged or destroyed. Mortgagor shall comply with all requirements of law or municipal ordinances with respect to the use, operation, and maintenance of the Property, including all environmental, health and safety laws and regulations, and shall make no material alterations in the Property except as required by law, without the prior written consent of Lender. Mortgagor shall not grant or permit any easements, licenses, covenants or declarations of use against the Property.

6. **PROTECTION OF LENDER'S SECURITY.** If Mortgagor fails to perform any of the covenants and agreements contained in this Mortgage, the Note or the other Loan Documents, or if any action or proceeding is threatened or commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Mortgagor, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as it deems expedient or necessary to protect Lender's interest, including (i) making repairs; (ii) discharging Prior Encumbrances in full or part; (iii) paying, settling, or discharging tax liens, mechanics' or other liens, and paying ground rents (if any); (iv) procuring insurance; and (v) renting, operating and managing the Property and paying operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Property shall be operational and usable for its intended purposes. Lender, in making such payments and assessments, may do so in

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accordance with any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of same or into the validity thereof.

Any amounts disbursed by Lender pursuant to this Paragraph 6 shall be a part of the Secured Indebtedness and shall bear interest at the default interest rate provided in the Note (the "**Default Rate**"). Nothing contained in this Paragraph 6 shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right accruing to Lender on account of this Paragraph 6.

7. **INSPECTION OF PROPERTY.** Mortgagor shall permit Lender and its representatives and agents to inspect the Property from time to time during normal business hours and as frequently as Lender requests.

8. **CONDEMNATION.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid directly to Lender to the extent of the Indebtedness at the time outstanding. Mortgagor hereby grants a security interest to Lender in and to such proceeds. Lender is authorized to collect such proceeds and, at Lender's sole option and discretion, to apply said proceeds either to restoration or repair of the Property or in payment of the Secured Indebtedness. In the event the Property is restored, Lender may pay the condemnation proceeds in accordance with its customary construction loan payment procedures, and may charge its customary fee for such services. Mortgagor shall give Lender immediate notice of the actual or threatened commencement of any condemnation or eminent domain proceedings which it has knowledge affecting all or any part of the Property.

9. **MORTGAGOR NOT RELEASED; FORBEARANCE BY LENDER NOT A WAIVER; REMEDIES CUMULATIVE.** Any extension or other modification granted by Lender to any successor in interest of Mortgagor of the time for payment of all or any part of the Secured Indebtedness shall not operate to release, in any manner, Mortgagor's liability. Any forbearance or inaction by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the later exercise of any such right or remedy. Any acts performed by Lender to protect the security of this Mortgage, as authorized by Paragraph 7 or otherwise, shall not be a waiver of Lender's right to accelerate the maturity of the Indebtedness. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively. No consent or waiver by Lender to or of any breach or default by Mortgagor shall be deemed a consent or waiver to or of any other breach or default.

10. **SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS.** The covenants and agreements contained herein shall bind, and the rights hereunder shall inure to, the respective heirs, executors, legal representatives, successors and permitted assigns of Lender and Mortgagor. If this Mortgage is executed by more than one Mortgagor, each Mortgagor shall be jointly and severally liable hereunder.

11. **EXCESS LOAN CHARGES.** If the Loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Maker which exceeded permitted limits ("**Excess Loan Charges**") will, at Lender's option, either be refunded to Maker or applied as a credit against the then outstanding principal balance or accrued and

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unpaid interest thereon. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note. Neither Mortgagor nor any other guarantor or obligor on the Note shall have any action against Lender for any damages whatsoever arising from the payment of Excess Loan Charges.

12. **LEGISLATION AFFECTING LENDERS' RIGHTS.** If an enactment, modification or expiration of an applicable governmental law, ruling or regulation has the effect of rendering any provision of the Note, this Mortgage or any of the other Loan Documents unenforceable according to its terms, Lender, at its option upon giving written notice to Mortgagor allowing Mortgagor ninety (90) days to pay off the balance of this loan may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by Paragraph 12.

13. **NOTICE.** Except for any notice required under applicable law to be given in another manner, any notices required or given under this Mortgage shall be given by hand delivery, by nationally recognized overnight courier service or by certified mail, return receipt requested. Notices shall be given to Mortgagor c/o Marc Realty LLC, 55 E. Jackson Blvd, Chicago, Illinois Attn: Gerald L. Nudo and to Lender c/o Marc Realty LLC, 55 E. Jackson Blvd., Chicago, Illinois 60604, Attn: Steven Higdon. Notices shall be deemed to have been given and effective on the date of delivery, if hand-delivered, the next business day after delivery to the nationally recognized overnight courier service if by such courier service, or two (2) days after the date of mailing shown on the certified receipt if mailed. Any party hereto may change the address to which notices are given by notice as provided herein.

14. **GOVERNING LAW; SEVERABILITY.** The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of this Mortgage, the Note or any of the other Loan Documents conflicts with applicable law, or is adjudicated to be invalid or unenforceable same shall not affect other provisions of this Mortgage, the Note or any of the other Loan Documents which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage, the Note or any of the other Loan Documents are declared to be severable and the validity or enforceability of the remainder of the Loan Document in question shall be construed without reference to the conflicting, invalid or unenforceable clause or provision.

15. **PROHIBITIONS ON TRANSFER OF THE PROPERTY OR OF AN INTEREST IN MORTGAGOR.** It shall be an immediate default if, without the prior written consent of Lender, which consent may be granted or withheld at Lender's sole discretion, Mortgagor shall create, effect or consent to or shall suffer or permit any conveyance, sale (including an installment sale), assignment, transfer, lien, pledge, hypothecation, mortgage, security interest, or other encumbrance or alienation, whether by operation of law, voluntarily or otherwise, (collectively "**Transfer**") of (1) the Property or any part thereof or interest therein; or (2) all or a portion of the beneficial interest of Mortgagor or the power of direction; (3) all or any portion of the membership interest of any member; (4) all or a portion of the stock of any corporate beneficiary of a trustee Mortgagor that results or could result in a material change in the identity of the person(s) or entity(ies) previously in control of such corporation; (5) all or a portion of an interest in a partnership, limited liability company, or a joint venture interest of a joint venturer in the joint venture, if Mortgagor's beneficiary consists of or includes a partnership, limited liability company or joint venture, that results or could result in a material change in the identity of the person(s) or entity(ies) in control of such partnership or joint venture (each of the foregoing is referred to as a "**Prohibited Transfer**"). In the event of such default, Lender, at its sole option, may declare the entire unpaid balance, including interest, immediately due and payable. This option shall not be exercised by Lender if prohibited by Federal law as of the date of this Mortgage. Notwithstanding the foregoing, Lender hereby

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consents to (i) the assignment by the members of the Mortgagor to a new limited liability company which will be owned by the members and FT-Marc Class B LLC and (ii) the pledge by such new limited liability company of its entire membership interest in Mortgagor as security for a loan from FT-Marc Loan LLC to such new limited liability company.

16. **EVENT OF DEFAULT.** Each of the following shall constitute an event of default ("**Event of Default**") under this Mortgage:

(a) Mortgagor's failure to pay any amount due herein or secured hereby, or any installment of principal or interest when due and payable whether at maturity or by acceleration or otherwise under the Note, this Mortgage, or any other Loan Document, which failure continues for more than ten (10) days after written notice from Lender;

(b) Mortgagor's failure to perform or observe any other covenant, agreement, representation, warranty or other provision contained in the Note, this Mortgage (other than an Event of Default described elsewhere in this Paragraph 16) or any other Loan Document and such failure continues for a period of thirty (30) days after the earlier of Mortgagor's becoming aware of such failure or the effective date of notice thereof given by Lender to Mortgagor; provided, however, that this grace period shall not apply to the other sub-paragraphs of this Paragraph 16;

(c) The occurrence of any breach of any material representation or warranty contained in this Mortgage or any other Loan Document;

(d) A Prohibited Transfer occurs;

(e) A court having jurisdiction shall enter a decree or order for relief in respect of Mortgagor, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law; or if Mortgagor, shall: (i) file a voluntary petition in bankruptcy, insolvency, debtor relief or for arrangement, reorganization or other relief under the Federal Bankruptcy Act or any similar state or federal law; (ii) consent to or suffer the appointment of or taking possession by a receiver, liquidator, or trustee (or similar official) of the Mortgagor or for any part of the Property or any substantial part of the Mortgagor's other property; (iii) make any assignment for the benefit of Mortgagor's creditors; (iv) fail generally to pay Mortgagor's debts as they become due;

(f) All or a substantial part of Mortgagor's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon;

(g) If Mortgagor is other than a natural person or persons: (i) the dissolution or termination of existence of Mortgagor, voluntarily or involuntarily, whether by reason of death of a general partner of Mortgagor or otherwise; (ii) the amendment or modification in any respect of Mortgagor's articles, agreement of partnership, operating agreement, its corporate resolutions or its articles of incorporation or bylaws or articles of organization, if any, that would affect Mortgagor's performance of its obligations under the Note, this Mortgage or the other Loan Documents;

(h) This Mortgage shall not constitute a valid lien on and security interest in the Property (subject only to the Permitted Encumbrances), or if such lien and security interest shall not be perfected; or

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(i) An indictment or other charge is filed against the Mortgagor in any jurisdiction, under any federal or state law, for which forfeiture of the Property or of other collateral securing the Secured Indebtedness or of which other funds, property or other assets of Mortgagor or Lender is a potential penalty.

17. **ACCELERATION; REMEDIES.** AT ANY TIME AFTER AN EVENT OF DEFAULT, LENDER, AT LENDER'S OPTION, MAY DECLARE ALL SUMS SECURED BY THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS TO BE IMMEDIATELY DUE AND PAYABLE WITHOUT FURTHER DEMAND AND MAY FORECLOSE THIS MORTGAGE BY JUDICIAL PROCEEDING. LENDER SHALL BE ENTITLED TO COLLECT IN SUCH PROCEEDING ALL EXPENSES OF FORECLOSURE, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COSTS INCLUDING ABSTRACTS AND TITLE REPORTS, ALL OF WHICH SHALL BECOME A PART OF THE SECURED INDEBTEDNESS AND IMMEDIATELY DUE AND PAYABLE, WITH INTEREST AT THE DEFAULT RATE. THE PROCEEDS OF ANY FORECLOSURE SALE OF THE PROPERTY SHALL BE APPLIED AS FOLLOWS: FIRST, TO ALL COSTS, EXPENSES AND FEES INCIDENT TO THE FORECLOSURE PROCEEDINGS; AND SECOND, ANY BALANCE TO MORTGAGOR OR AS A COURT MAY DIRECT. ANY FAILURE BY LENDER TO EXERCISE SUCH OPTION SHALL NOT CONSTITUTE A WAIVER OF ITS RIGHT TO EXERCISE THE SAME AT ANY OTHER TIME.

18. **SECURITY AGREEMENT.** It is the intention of Mortgagor and Lender that this Mortgage also constitutes a security agreement (with Lender being the secured party thereunder) with respect to those portions of the Property which are subject to Article 9 of the Uniform Commercial Code. Accordingly, Mortgagor hereby agrees that, in addition to all other rights and remedies enumerated herein or otherwise available to Lender at law, in equity, or under any Loan Document, Lender shall have all of the rights and remedies available to a secured party under the Uniform Commercial Code in effect from time to time in the state in which the Property are located. With respect to any portion of the Property subject to the Uniform Commercial Code, any reference to foreclosure in this Mortgage shall also be deemed to include any method of disposition of collateral authorized under Article 9 of the Uniform Commercial Code. Lender, at its sole option, may dispose of any portion of the Property subject to the Uniform Commercial Code separately from or together with other portions of the Property. This Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its recording in the Office of the Recorder of Deeds for the county in which the Property is located. Information concerning the security interest created by this instrument may be obtained from Lender, as secured party, at the address stated above. The mailing address of the debtor is as stated above.

19. **ASSIGNMENT OF LEASES, RENTS, ISSUES AND PROFITS.**

(a) Mortgagor hereby irrevocably grants, transfers and assigns to Lender, and grants to Lender, a security interest in, all Mortgagor's right, title and interest, whether now existing or hereafter acquired, in all leases, including the right, power and authority to collect the rents, issues, income, profits, royalties and revenues of the Property (the "**Rents**"). The assignment set forth in the foregoing sentence shall be absolute, unconditional and irrevocable;

(b) Notwithstanding the provisions of subsection (a), Mortgagor shall have the right, so long as no Event of Default shall have occurred and be continuing, to collect and retain all Rents relating to the Property as the same became due and payable; provided, however, that from and after (i) the occurrence and during the continuance of an Event of Default under this Mortgage, and (ii) delivery of a written notice to Mortgagor from Lender, invoking Lender's right to function as lessor under all leases and to collect the Rents, to the exclusion of Mortgagor (the "**Declaration**"), constructive possession of the Property will be vested in Lender to the extent permitted by then applicable law. The Declaration shall be effective immediately upon its deposit in the United States

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mail. The sending of such Declaration shall not be considered the exclusive requisite action relating to the activation of this assignment by Lender.

(c) Upon the occurrence and continuance of any Event of Default, Lender may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the Indebtedness, (i) enter upon and take possession of the Property or any part thereof, or (ii) in its own name sue for or otherwise collect such Rents, including those past due and unpaid and hold any such collection and apply said collections to (A) payment of all reasonable fees of the receiver approved by the court; (B) payment of all prior or current real estate taxes and special assessments and insurance premiums with respect to the Property; (C) payment of expenses incurred for normal operation and maintenance of the Property; and (D) payment of all other obligations under the Note, the Mortgage or the other Loan Documents.

(d) Lender's right to collect the Rents upon an Event of Default by Mortgagor is in no manner conditional upon Lender first taking possession of the Property. Should Lender enter and take possession of the Property or collect the rents and apply the same as provided for herein, such act shall not cure or waive any Event of Default or notice thereof hereunder or invalidate any act done pursuant to such notice. Nothing contained herein, nor any collection of rents by Lender or a receiver, shall be construed to make Lender a "mortgagee-in-possession" so long as Lender has not itself entered into actual possession of the Property.

(e) Nothing herein shall be construed to impose any liability or obligation on Lender under or with respect to any lease.

20. **MORTGAGOR'S REPRESENTATIONS.** Mortgagor hereby represents and covenants to Lender that:

(a) Mortgagor is lawfully seized of the Property hereby mortgaged, granted and conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered except by the Permitted Encumbrances, if any, and that Mortgagor will represent, warrant and defend generally the title to the Property, or any portion thereof, against any and all claims and demands.

(b) Mortgagor: (i) is an Illinois limited liability company, duly organized and validly existing under the laws of the State of Illinois and is in good standing in the State of Illinois; (ii) has the power and authority to own its properties and to carry on its business as now being conducted; and (iii) is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.

(c) To the best of Mortgagor's knowledge, the execution, delivery and performance of the Note, this Mortgage and the other Loan Documents: (i) have received all necessary, partnership, governmental, limited liability company and corporate approval; (ii) do not violate any provision of any law, any order of any court or agency of government or any indenture, agreement or other instrument to which Mortgagor is a party, or by which it or any portion of the Property is bound; and (iii) are not in conflict with, nor will result in breach of, or constitute (with due notice or lapse of time) a default under any indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever, upon any of its property or assets, except as contemplated by the provisions of this Mortgage.

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(d) The Note, this Mortgage and the other Loan Documents, when executed and delivered by Mortgagor will constitute the legal, valid and binding obligations of Mortgagor and all other obligors named therein, if any, in accordance with their respective terms.

(e) To the best of Mortgagor's knowledge, all information, reports, papers, balance sheets, statements of profit and loss, and data given to Lender or its agents and employees regarding Mortgagor or any other party obligated under the terms of the Note, this Mortgage or any of the other Loan Documents are accurate and correct in all material respects, and are complete insofar as completeness may be necessary to give Lender a true and accurate knowledge of the subject matter.

(f) To the best of Mortgagor's knowledge, is there threatened any action, suit or proceeding at law, in equity or before any administrative agency which, if adversely determined, would materially impair or affect the financial condition or operation of Mortgagor or the Property.

21. **APPOINTMENT OF RECEIVER.** Upon acceleration under Paragraph 17 and without further notice to Mortgagor, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents from the Property including those past due. The receiver shall have the power to collect the rents from the time of acceleration through the pendency of any foreclosure proceeding and during the full statutory period of redemption, if any. All rents collected by the receiver shall be applied as the appointing court may direct and, in the absence of such direction, first to payment of the costs and expenses of the management of the Property and collection of rents including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees. The receiver shall be liable to account only for those rents actually received.

22. **RELEASE.** Upon payment of all Secured Indebtedness, Lender shall release this Mortgage upon payment by Mortgagor of all costs and fees to release same, if any. Mortgagor shall be responsible for recording the release, including all related costs of recordation.

23. **PRINCIPAL AMOUNT OF MORTGAGE.** At no time shall the principal amount of the indebtedness secured by this Mortgage exceed three times the stated principal amount of the Note.

24. **BUSINESS LOAN.** Mortgagor hereby represents and warrants that: (a) the proceeds of the Secured Indebtedness (the "**Loan**") will be used for the purposes specified in 815 ILCS 205/4(1)(a) or (c) (1992 State Bar Edition) of the Illinois Compiled Statutes, as amended; (b) the Loan constitutes a "business loan" within the purview of that Section; (c) the Loan is a transaction exempt from the Truth in Lending Act, 15 U.S.C. sec. 1601, et seq.; and (d) the proceeds of the Indebtedness will not be used for the purchase of registered equity securities within the purview of Regulation "U" issued by the Board of Governors of the Federal Reserve System.

25. **ENVIRONMENTAL COMPLIANCE.** Mortgagor hereby represents and warrants to Lender and covenants with Lender that:

A. **REPRESENTATIONS.** Mortgagor hereby represents to Lender that:

(i) **COMPLIANCE.** To the best of Mortgagor's knowledge, the Property is currently in compliance with all environmental laws; there are no pending or threatened, environmental actions to which Mortgagor is a party or which relate to the Property; all required governmental permits and licenses are

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in effect, and Mortgagor is in compliance therewith; and Mortgagor has not received any notice of any environmental action respecting Mortgagor or the Property.

(ii) **ABSENCE OF HAZARDOUS MATERIAL.** To the best of Mortgagor's knowledge, no use, exposure, release, emission, discharge, generation, manufacture, sale, handling, reuse, presence, storage, treatment, transport, recycling or disposal of hazardous material has, to the best of Mortgagor's knowledge, occurred or is occurring on or from the Property except in compliance with environmental laws. The term "released" shall include, but not be limited to, any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment (including the abandonment or discarding of barrels, containers and other receptacles containing any hazardous material). To the best of Mortgagor's knowledge all Hazardous Material used, treated, stored, transported to or from, generated or handled on the Property has been disposed of on or off the Property in a lawful manner. To the best of Mortgagor's knowledge, no environmental, public health or safety hazards currently exist with respect to the Property. To the best of Mortgagor's knowledge, no underground storage tanks (including, but not limited to, petroleum or heating oil storage tanks) are present on or under the Property, or have been on or under the Property except as has been disclosed in writing to Lender.

B. **MORTGAGOR'S COVENANTS.** Mortgagor hereby covenants and agrees with Lender as follows:

(i) **COMPLIANCE.** The Property and Mortgagor shall comply with all environmental laws. All required governmental permits and licenses shall be obtained and maintained, and Mortgagor shall comply therewith. All hazardous material on the Property will be disposed of in a lawful manner without giving rise to liability under any environmental laws. Mortgagor will satisfy all requirements of applicable environmental laws for the registration, operation, maintenance, closure and removal of all underground storage tanks on the Property, if any. Without limiting the foregoing, all hazardous material shall be handled in compliance with all applicable environmental laws.

(ii) **ABSENCE OF HAZARDOUS MATERIAL.** No hazardous material shall be introduced to or used, exposed, released, emitted, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on the Property contrary to law.

(iii) **ENVIRONMENTAL ACTIONS AND RIGHT TO CONSENT.** Mortgagor shall immediately notify Lender of all environmental actions and provide copies of all written notices, complaints, correspondence and other documents relating thereto within two business days of receipt, and Mortgagor shall keep Lender informed of all responses thereto. Mortgagor shall promptly cure and have dismissed with prejudice all environmental actions in a manner satisfactory to Lender and Mortgagor shall keep the Property free of any encumbrance arising from any judgment, liability or lien imposed pursuant to any environmental actions. Notwithstanding the foregoing sentence, Mortgagor may, diligently, in good faith and by appropriate legal proceedings, contest such proceedings provided:

(i) Mortgagor first furnishes to Lender such deposits or other collateral as Lender, in its sole discretion, deems sufficient to fully protect Lender's interests; (ii) such contest shall have the effect of preventing any threatened or pending sale or forfeiture of all or any portion of the Property; and (iii) such contest will not cause Lender to incur any liability, in Lender's sole judgment. Mortgagor shall permit Lender, at Lender's option, to appear in and to be represented in any such contest and shall pay upon demand all expenses incurred by Lender in so doing, including attorneys' fees.

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(iv) **FUTURE ENVIRONMENTAL AUDITS.** Mortgagor shall provide such information and certifications which Lender may reasonably request from time to time to monitor Mortgagor's compliance with this Paragraph 25 for the sole purpose of protecting Lender's security interest. To protect its security interest, Lender shall have the right, but not the obligation, at any time to enter upon the Property, take samples, review Mortgagor's books and records, interview Mortgagor's employees and officers, and conduct such other activities as Lender, at its sole discretion, deems appropriate. Mortgagor shall cooperate fully in the conduct of such an audit. Nothing in this Article shall give or be construed as giving Lender the right to direct or control Mortgagor's actions in complying with environmental laws.

(v) **EVENT OF DEFAULT AND OPPORTUNITY TO CURE.** If Mortgagor fails to comply with any of its covenants contained in this Paragraph 25 within thirty (30) days after notice by Lender to Mortgagor, Lender may, at its option, declare an Event of Default. If, however, the noncompliance cannot, in Lender's reasonable determination, be corrected within such thirty (30) day period, and if Mortgagor has promptly commenced and diligently pursues action to cure such noncompliance to Lender's satisfaction, then Mortgagor shall have such additional time as is reasonably necessary to correct such noncompliance, provided Mortgagor continues to diligently pursue corrective action, but in no event more than a total of one hundred eighty (180) days after the initial notice of noncompliance by Lender.

(vi) **PENDING OR THREATENED ACTIONS.** There are no pending or threatened: (i) action or proceedings from any governmental agency or any other entity regarding the condition or use of the Property, or regarding any environmental, health or safety law; or (ii) "superliens" or similar governmental actions or proceedings that could impair the value of the Property, or the priority of the lien of the Mortgage or any of the other Loan Documents (collectively "**Environmental Proceedings**"). Mortgagor will promptly notify Lender of any notices, or other knowledge obtained by Mortgagor hereafter of any pending or threatened Environmental Proceedings, and Mortgagor will promptly cure and have dismissed with prejudice any such Environmental Proceedings to the satisfaction of Lender.

(vii) **FEES, COSTS AND EXPENSES.** Any fees, costs and expenses imposed upon or incurred by Lender on account of any breach of this Paragraph 25 shall be immediately due and payable by Mortgagor to Lender upon demand, and shall (together with interest thereon at the Default Rate accruing from the date such fees, costs and expenses are so imposed upon or incurred by Lender) become part of the Secured Indebtedness. Mortgagor shall keep, save and protect, defend, indemnify and hold Lender harmless from and against any and all claims, loss, costs, damage, liability or expense, including reasonable attorneys' fees, sustained or incurred by Lender by reason of any Environmental Proceedings or the breach or default by Mortgagor of any representation, warranty or covenant contained in this Paragraph 25.

C. **INDEMNIFICATION.** The term "**Lender's Environmental Liability**" shall mean any and all losses, liabilities, obligations, penalties, claims, fines, lost profits, demands, litigation, defenses, costs, judgments, suits, proceedings, damages (including consequential, punitive and exemplary damages), distributions or expenses of any kind or nature whatsoever (including reasonable attorneys' fees at trial and appellate levels and experts' fees and disbursements and expenses incurred in investigating, defending against, settling or prosecuting any suit, litigation, claim or proceeding) which may at any time be either directly or indirectly imposed upon, incurred by or asserted or awarded against Lender or any of Lender's parent and

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subsidiary corporations and their affiliates, shareholders, directors, officers, employees, and agents (collectively Lender's "**Affiliates**") in connection with or arising from:

- (i) any hazardous material used, exposed, emitted, released, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on, in or under all or any portion of the Property, or any surrounding areas;
- (ii) any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement contained or referred to in this Paragraph 25;
- (iii) any violation, liability or claim of violation or liability, under any environmental laws;
- (iv) the imposition of any lien for damages caused by, or the recovery of any costs incurred for the cleanup of any release or threatened release of Hazardous Material; or
- (v) any Environmental Actions.

Mortgagor shall indemnify, defend (at trial and appellate levels and with counsel, experts and consultants acceptable to Lender and at Mortgagor's sole cost) and hold Lender and its Affiliates free and harmless from and against any Lender's Environmental Liability (collectively "**Mortgagor's Indemnification Obligations**"). Mortgagor's Indemnification Obligations shall survive in perpetuity with respect to any Lender's Environmental Liability.

Mortgagor and its successors and assigns hereby waive, release and agree not to make any claim or bring any cost recovery action against Lender under or with respect to any Environmental Laws. Mortgagor's obligation to Lender under this indemnity shall likewise be without regard to fault on the part of Mortgagor or Lender with respect to the violation or condition which results in liability to Lender.

26. INTERPRETATION. This Mortgage shall be construed pursuant to the laws of the State of Illinois. The headings of sections and paragraphs in this Mortgage are for convenience only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions. The use of singular and plural nouns, and masculine, feminine, and neuter pronouns, shall be fully interchangeable, where the context so requires. If any provision of this Mortgage, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstances, is adjudicated to be invalid, the validity of the remainder of this Mortgage shall be construed as if such invalid part were never included. Time is of the essence of the payment and performance of this Mortgage.

27. COMPLIANCE WITH ILLINOIS MORTGAGE FORECLOSURE LAW. If any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101 et. seq. (1992 State Bar Edition) of the Illinois Compiled Statutes) (the "**Act**") the provisions of the Act shall take precedence over the Mortgage provisions, but shall not invalidate or render unenforceable any other Mortgage provision that can be construed in a manner consistent with the Act.

If any Mortgage provision shall grant to Lender any rights or remedies upon Mortgagor's default which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of such provision, Lender shall be vested with the rights granted in the Act to the full extent permitted by law.

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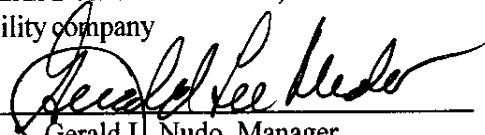
Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in Paragraph 17 of this Mortgage, shall be added to the Indebtedness secured by this Mortgage or by the judgment of foreclosure.

28. WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY LAW, MORTGAGOR AND LENDER WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (I) UNDER THIS MORTGAGE, THE OTHER LOAN DOCUMENTS OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH; OR (II) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE OR THE OTHER LOAN DOCUMENTS. MORTGAGOR AND LENDER AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage, Assignment of Rents and Security Agreement as of the day and year first above written.

MORTGAGOR:

20 EAST JACKSON LLC, an Illinois limited liability company

By: 
Gerald L. Nudo, Manager

By: _____
Laurence H. Weiner, Manager

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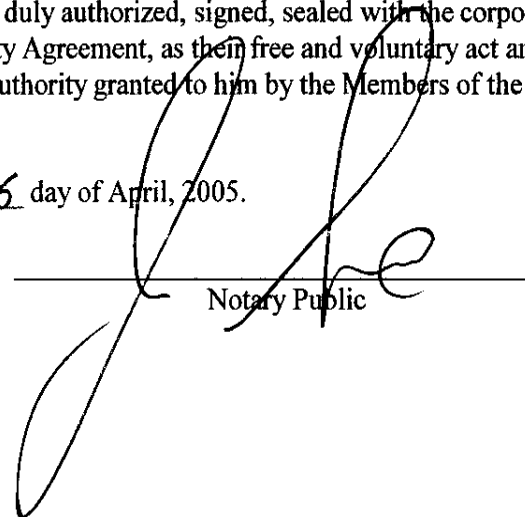
STATE OF ILLINOIS)

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COUNTY OF COOK)

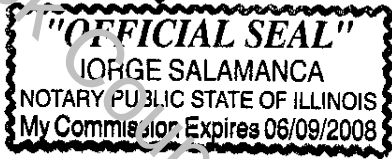
I, JORGE SALAMANCA, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY that Gerald L. Nudo and Laurence H. Weiner, who are personally known to me to be the Members of 20 EAST JACKSON LLC, appeared before me this day in person and severally acknowledged to me that they, being thereunto duly authorized, signed, sealed with the corporate seal the said Mortgage, Assignment of Rents and Security Agreement, as their free and voluntary act and the free and voluntary act of the Company, pursuant to authority granted to him by the Members of the Company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 15 day of April, 2005.



Notary Public

My Commission expires: _____



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EXHIBIT A

LEGAL DESCRIPTION

LOTS 5 AND 6 IN ASSESSOR'S DIVISION OF LOT 9 IN BLOCK 6 IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO IN SECTION 15, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly know as: 20 East Jackson Boulevard, Chicago, Illinois

Permanent index Number: 17-15-104-024-0000

Property of Cook County Clerk's Office