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Doc#: 0526219106 Fee: \$58.50
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 09/19/2005 03:22 PM Pg: 1 of 18

MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS MORTGAGE ("Mortgage") made as of the 7th day of September, 2005, by and between INVERWAY PROPERTIES LLC, a Delaware limited liability company, having its offices at 2350 Lois Drive and 5650 Meadowbrook Court, Rolling Meadows, IL 60008 ("Mortgagor") and BIBBY FINANCIAL SERVICES (MIDWEST), INC., an Illinois corporation having its offices at 1400 Opus Place, Suite 905, Downers Grove, IL 60515 ("Mortgagee").

WITNESSETH:

This Mortgage is given as security for all present and future Obligations of Mortgagor to Mortgagee as defined and set forth in that certain Guaranty dated on or about September 7, 2005 between Mortgagor as Guarantor and Mortgagee (the "Guaranty").

PREPARED BY AND MAIL TO:
Laurie A. Hybl
Schuyler, Roche & Zwirner, P.C.
One Prudential Plaza
130 E. Randolph
Suite 3800
Chicago IL 60601

NOW, THEREFORE, the Mortgagor, as security for the purposes stated above and elsewhere in this Mortgage, and also in consideration of the sum of TEN AND 00/100THS DOLLARS (\$10.00) in hand paid and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, does, by these presents, GRANT, BARGAIN, SELL, ASSIGN, RELEASE, TRANSFER, REMISE, CONVEY AND MORTGAGE unto the Mortgagee, its successors and assigns forever, and represents and warrants to Mortgagee and grants to Mortgagee and its successors and assigns forever, a continuing first priority security interest in and to the following described real estate and all of its estate, right, title and interest therein, situate, lying and being in the County of Cook and State of Illinois, to-wit:

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See legal description attached hereto as Exhibit A

Common Address: 5650 Meadowbrook Drive and 2350 Lois Drive,
Rolling Meadows, Illinois 60008
Permanent Index Number: 08-08-402-025-000

which is referred to in this Mortgage as the "Premises" TOGETHER with all improvements, tenements, easements, hereditaments, fixtures, and appurtenances hereunto belonging and all rents, issues and profits thereof and during all such times as the Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily, and all apparatus, equipment or articles now or hereafter used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled, and ventilation including (without restricting the foregoing) screens, storm doors and windows, floor coverings, awnings, and water heaters, except all equipment and other personal property used at the Premises which are not fixtures or are used in the business operated at the Premises. All of the foregoing are declared to be a part of said real estate whether physically attached to the Premises or not, and it is agreed that all similar apparatus, equipment or articles hereafter placed in the Premises by the Mortgagor or its successors or assigns shall be considered as constituting part of the real estate.

TO HAVE AND TO HOLD the Premises unto the Mortgagee, its successors and assigns forever, for the purposes herein set forth.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. The Mortgagor will pay to the Mortgagee all Obligations according to the terms of the Guaranty, and the Mortgagor agrees that this Mortgage is a continuing mortgage securing the payment of all present and future Obligations.

2. The Mortgagor has good and indefeasible title to the entire mortgaged premises in fee simple and with good right and full power to sell, mortgage and convey it; the mortgaged premises are free and clear of all easements, restrictions, liens, leases and encumbrances whether now existing or later created, and the Mortgagor will warrant and defend the mortgaged premises against all other claims and demands whatsoever. The Mortgagee shall have the right at its option and at such time or times as it, in its sole discretion, deems necessary to take whatever action it may deem necessary to defend or uphold the lien of this Mortgage or otherwise enforce any of the rights of the Mortgagee under this Mortgage or any obligation secured by this Mortgage, including, without limit, the right to institute appropriate legal proceedings for these purposes.

3. The Mortgagor shall pay when due, and before any interest, collection fees or penalties accrue or default occurs, all taxes, assessments, encumbrances, liens, mortgages, water or sewer charges and other charges and impositions levied, assessed or existing with respect to the mortgaged premises or any part of it, and will deliver to the Mortgagee without demand official receipts showing these payments. If the Mortgagor fails to pay these taxes, assessments, encumbrances, liens, mortgages, charges and impositions when due, or if the Mortgagor fails to pay all interest, collection fees and penalties accrued on them, the Mortgagee, at its sole option,

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may (but is not obligated to) pay them and the monies paid shall be a lien upon the mortgaged premises added to the amount secured by this Mortgage and payable immediately by the Mortgagor to the Mortgagee, with interest at the higher of (i) the interest rate, if any, charged by the particular entity levying or assessing the tax, assessment or imposition or holding the encumbrance or lien, or (ii) the highest rate charged by the Mortgagee on any of the Obligations (but in either case not to exceed the maximum interest rate permitted by applicable law).

4. The Mortgagor shall keep the buildings and all other improvements now or later existing on the mortgaged premises constantly insured for the benefit of the Mortgagee against fire and other hazards and risks, including without limit vandalism and malicious mischief, as the Mortgagee may require and shall further provide flood insurance (if the mortgaged premises are situated in an area which is considered a flood risk area by the United States Department of Housing and Urban Development, and in which flood insurance has been made available under the National Flood Insurance Act of 1968, as amended), public liability insurance and any other insurance at the Mortgagee may require from time to time, all in amounts and in forms and with companies satisfactory to the Mortgagee. The Mortgagor shall deliver to the Mortgagee the policies evidencing the required insurance with premiums fully paid for one year in advance and with standard mortgagee clauses (making all loss payable to the Mortgagee) satisfactory to the Mortgagee. Renewals of the required insurance (together with evidence of premium prepayment for one year in advance) shall be delivered to the Mortgagee at least thirty (30) days before the expiration of any existing policies. All policies and renewals shall provide that they may not be canceled or amended without giving the Mortgagee thirty (30) days' prior written notice of cancellation or amendment. All policies and renewals shall be held by, and are pledged to, the Mortgagee, along with all insurance premium rebates, as additional security for the Obligations. Should the Mortgagor fail to insure or fail to pay the premiums on any required insurance or fail to deliver the policies or renewals of them as provided above, the Mortgagee may (but is not obligated to) have the insurance issued or renewed (and pay the premiums on it for the account of the Mortgagor) in amounts and with companies and at premiums as the Mortgagee reasonably deems appropriate, in which case, the Mortgagee shall have no duty or obligation of any kind to also insure the Mortgagor's interest or to notify the Mortgagor of the Mortgagee's actions. Any premiums or other sums paid by the Mortgagee for insurance as provided above shall be a lien upon the mortgaged premises added to the amount secured by this Mortgage and payable immediately, with interest on these sums at the highest rate charged by the Mortgagee on any of the Obligations (but not to exceed the maximum interest rate permitted by applicable law). In the event of loss or damage, the proceeds of all required insurance shall be paid to the Mortgagee alone. No loss or damage shall itself reduce the Obligations. The Mortgagee and any of its employees are each irrevocably appointed attorney-in-fact for the Mortgagor and are authorized to adjust and compromise each loss without the consent of the Mortgagor, to collect, receive and receipt for the insurance proceeds in the name of the Mortgagee and the Mortgagor and to endorse the Mortgagor's name upon any check in payment of the loss. The proceeds shall be applied first toward reimbursement of all costs and expenses of the Mortgagee in collecting the proceeds (including, without limit, court costs and reasonable attorneys' fees), and then toward payment of the Obligations or any portion of it, whether or not then due or payable and in whatever order of maturity as the Mortgagee may elect, or the Mortgagee, at its option, may apply the insurance proceeds, or any part of them, to the repair or rebuilding of the mortgaged premises. Subject to the satisfaction of all of Mortgagor's obligations hereunder, application

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of proceeds by the Mortgagee toward later maturing installments of the Obligations shall not excuse the Mortgagor from making the regularly scheduled installment payments nor shall such application extend or reduce the amount of any of these payments. In the event of a foreclosure of this Mortgage, or the giving of a deed in lieu of foreclosure, the purchaser or grantee of the mortgaged premises shall succeed to all of the rights of the Mortgagor under said insurance policies including, without limit, any right to unearned premiums and to receive the proceeds.

5. The Mortgagor shall abstain from commission of waste upon the mortgaged premises, keep the buildings, improvements and equipment on the mortgaged premises in good repair, and promptly comply with all laws, regulations and requirements of all governmental bodies affecting the mortgaged premises. If the Mortgagee reasonably determines that the mortgaged premises, or any part of it, requires inspection, testing, appraisal, repair, care, alteration or attention of any kind or nature, not provided to the Mortgagee's satisfaction by the Mortgagor, the Mortgagee may (but is not obligated to) enter or cause entry to be made upon the mortgaged premises, and inspect, test, appraise, repair, alter or maintain the mortgaged premises as the Mortgagee may reasonably deem necessary, and the Mortgagor shall reimburse the Mortgagee upon demand for all reasonably resulting costs and expenses incurred by the Mortgagee. The Mortgagee may pay sums of money as the Mortgagee reasonably deems essential for the preservation of the mortgaged premises, and these sums shall be additional Obligations secured by this Mortgage, shall be payable by the Mortgagor to the Mortgagee upon demand, and shall bear interest at the highest rate charged by the Mortgagee to the Mortgagor on any of the Obligations (but not to exceed the maximum interest rate under applicable law). The Mortgagor shall not make or permit any other party to make any material alterations, additions or improvements of any type to the mortgaged premises (individually and collectively the "Improvements"), regardless of whether the improvements would increase the value of the mortgaged premises, without the Mortgagee's prior written consent, which consent shall not be unreasonably withheld or delayed. If the Mortgagee consents to the making of any Improvements on the mortgaged premises, and the Improvements are not completed with due diligence in accordance with the plans and specifications approved in writing by the Mortgagee, or if construction of the Improvements should cease before completion for a period of thirty (30) days, then the Mortgagee shall have the right (but not the obligation) to enter or cause entry to be made upon the mortgaged premises and complete the Improvements, with full power and authority to enter into such contracts or agreements as the Mortgagee may reasonably deem necessary to complete the Improvements.

6. The Mortgagor shall pay (before the same become liens, encumbrances or charges against the mortgaged premises) any and all obligations, liabilities or debts for repairs or improvements to the mortgaged premises or for any other goods, services, or utilities furnished to the mortgaged premises; provided that Mortgagor need not pay or discharge such liens, charges or encumbrances if Mortgagor is contesting the same in good faith and by appropriate proceedings. The Mortgagor shall not mortgage or pledge the mortgaged premises or any part of it as security for any other indebtedness or obligations.

7. In the event the mortgaged premises, or any part of it, is taken under power of eminent domain, or by condemnation, the entire proceeds of the award shall be paid directly to the Mortgagee and applied toward reimbursement of all the Mortgagee's reasonable costs and

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expenses incurred in connection with collecting the award (including, without limit, court costs and reasonable attorneys fees), and the balance applied upon the Obligations whether or not then due or payable in whatever manner the Mortgagee deems advisable. Application by the Mortgagee of any condemnation award or portion of it toward the last maturing installments of the Obligations shall not excuse the Mortgagor from making the regularly scheduled payments nor extend or reduce the amount of these payments. The Mortgagee or any of its employees are irrevocably appointed attorney-in-fact and are duly authorized and empowered to receive, receipt for, discharge and satisfy any condemnation award and judgment, whether joint or several, on behalf of the Mortgagor, its legal representatives and assigns. This receipt, discharge and satisfaction shall be as legally effective and binding as if given directly by the Mortgagor; provided, however, that the Mortgagee shall not be liable for failure to collect any condemnation award, regardless of the cause of such failure.

8. The Obligations secured by this Mortgage shall become due and payable immediately, without notice, at the option of the Mortgagee, if the Mortgagor shall sell, convey, assign, pledge, hypothecate, mortgage, encumber or transfer the mortgaged premises or any part of it, or if title to the mortgaged premises or any part of it shall become vested in any other person or party in any manner whatsoever or if there is any disposition (through one or more transactions) of legal or beneficial title. Without limiting the foregoing, the Mortgagor shall not incur any additional debt secured by the mortgaged premises, without the prior written consent of Mortgagee. In the event ownership of the mortgaged premises or any part of it becomes vested in a person or persons other than the Mortgagor (with or without the prior written approval of the Mortgagee), the Mortgagee may (but shall not be obligated to) deal with and may enter into any contract or agreement with the successor or successors in interest with reference to this Mortgage in the same manner as with the Mortgagor, without in any manner vitiating, discharging or otherwise affecting the lien of this Mortgage or the Mortgagor's liability under this Mortgage or upon the Obligations.

9. This Mortgage shall, as to any equipment, fixtures, accounts, general intangibles and other personal property covered by it, be deemed to grant a security interest in the equipment, fixtures accounts, general intangibles and other personal property pursuant to the Uniform Commercial Code. The Mortgagor agrees upon request of the Mortgagee from time to time, to promptly furnish a list of personal property owned by the Mortgagor and subject to this Mortgage and, upon request by the mortgagee, to immediately execute, deliver and/or file any mortgage and any amendments to this Mortgage, any separate security agreement and any financing statements to include specifically this list of personal property. Upon the occurrence of any event of default under this Mortgage, the Mortgagee shall have all of the rights and remedies of a secured party under the Uniform Commercial Code or otherwise provided by law or by this Mortgage including, without limit, the right to require the Mortgagor to assemble the personal property and make it available to the Mortgagee at a place to be designated by the Mortgagee which is reasonably convenient to both parties, the right to take possession of the personal property with or without demand and with or without process of law, and the right to sell and dispose of it and distribute the proceeds according to law. The Mortgagor agrees that any requirement of reasonable notice shall be met if the Mortgagee sends notice to the Mortgagor at least ten (10) days prior to the date of sale, disposition or other event giving rise to the required notice. The Mortgagor agrees that the proceeds of any disposition of the personal

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property may be applied by the Mortgagee first to the Mortgagee's reasonable expenses in connection with the disposition including, without limit, reasonable attorneys' fees and legal expenses, and then to payment of the Obligations.

10. As additional security for the payment of the Obligations and performance of this Mortgage, the Mortgagor assigns to the Mortgagee all its right, title and interest in and to all written and oral leases and occupancy agreements, now or later existing, covering the mortgaged premises or any part of it (but without an assumption by the Mortgagee of liabilities of the Mortgagor under any of these leases or occupancy agreements by virtue of this assignment), and the Mortgagor assigns to the Mortgagee the rents, issues and profits of the mortgaged premises. If an event of default occurs under this Mortgage or under the Guaranty, the Mortgagee may receive and collect the rents, issues and profits personally or through a receiver so long as the event of default exists and during the pendency of any foreclosure proceedings and during any redemption period. The Mortgagor agrees to consent to the appointment of a receiver if this is reasonably believed necessary or desirable by the Mortgagee to enforce its rights under this mortgage. The Mortgagee shall at no time have any obligation whatsoever to attempt to collect rent or other amounts from any tenant or occupier of the mortgaged premises notwithstanding that such tenants and occupiers may not be paying rent or other amounts to either the Mortgagor or the Mortgagee. Further, the Mortgagee shall at no time have any obligation whatever to enforce any other obligations owed by tenants or occupiers of the mortgaged premises to the Mortgagor. No action taken by the Mortgagee under this Mortgage shall make the Mortgagee a "mortgagee in possession." The Mortgagor shall at no time collect advance rent under any lease or occupancy agreement pertaining to the mortgaged premises or any part of it in excess of one month (other than as a security deposit) and the Mortgagee shall not be bound in any respect by any rent prepayment made or received in violation of this prohibition. As additional security for the Obligations, the Mortgagor assigns to the Mortgagee all of the Mortgagor's rights and interest in all licenses and permits affecting the mortgaged premises. This assignment shall not be construed as a consent by the Mortgagee to any license or permit so assigned, or to impose upon Mortgagee any obligations with respect to any license or permit. The Mortgagor shall not cancel or amend any of the licenses and permits assigned (nor permit any of them to terminate if they are necessary or desirable for the operation of the mortgaged premises) without first obtaining the written approval of the Mortgagee. This paragraph shall not be applicable to any license or permit that terminates if it is assigned without the consent of another party (other than the Mortgagor) or its issuer, unless this consent has been obtained or this assignment is ratified by the other party or issuer; nor shall this paragraph be construed as a present assignment of any license or permit that the Mortgagor is required by law to hold in order to operate the mortgaged premises.

11. In the event any tax shall be due with respect to the execution and delivery or recordation of this Mortgage or any note or other instrument evidencing or securing repayment of the Obligations or the interest of the Mortgagee in the mortgaged premises, whether levied against the Mortgagee or otherwise, the Mortgagor shall pay this tax at the time and in the manner required by applicable law. The Mortgagor shall hold the Mortgagee harmless and shall indemnify the Mortgagee against all liability of any nature whatever as a result of the imposition of this tax. If in the opinion of counsel for the Mortgagee (a) it might be unlawful to require Mortgagor to make such payment or (b) the making of such payment by the Mortgagor of this

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tax would result in the payment of interest in excess of the permitted rate, then the Mortgagor shall have no obligation to pay the portion of the tax resulting in this excess.

12. (a) The Mortgagor represents and warrants that the Mortgagor has not used Hazardous Materials (as later defined) on or affecting the mortgaged premises in any manner which violates Environmental Laws (as later defined), that to Mortgagor's knowledge, there is no condition concerning the mortgaged premises which could require remediation pursuant to applicable Environmental Laws, and that, to the Mortgagor's knowledge, no prior owner of the mortgaged premises or any current or prior occupant has used Hazardous Materials on or affecting the mortgaged premises in any manner which violates Environmental Laws. The Mortgagor covenants and agrees that neither it nor any occupant shall use, introduce or maintain Hazardous Materials on the mortgaged premises in any manner unless done in strict compliance with all Environmental Laws.

(b) The Mortgagor shall conduct and complete all investigations, environmental audits, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials on or affecting the mortgaged premises in a manner not in compliance with all Environmental Laws, whether caused by the Mortgagor or a third party, in accordance with all Environmental Laws to the satisfaction of the Mortgagee, and in accordance with the orders and directives of all federal, state and local governmental authorities. Any remedial, removal or other action by the Mortgagor shall not be deemed a cure or waiver of any breach of this paragraph due to the presence or use of Hazardous Materials on or affecting the mortgaged premises in a manner not in compliance with all Environmental Laws. Additionally, the Mortgagor shall defend, indemnify and hold harmless the Mortgagee, its employees, agents, shareholders, officers and directors, from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses (including, without limit, reasonable attorneys' fees) of whatever kind of nature arising out of or related to (i) the presence, disposal, release or threatened release of any Hazardous Materials on, from or affecting the mortgaged premises or the soil, water, air, vegetation, buildings, personal property, persons or animals on the mortgaged premises, (ii) any personal injury (including without limit wrongful death) or property damage (real or personal) arising out of or related to these Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached or government order related to these hazardous materials, (iv) the cost of removal of all Hazardous Materials from all or any portion of the mortgaged premises, (v) taking necessary precautions to protect against the release of Hazardous Materials on or affecting the mortgaged premises, (vi) complying with all Environmental Laws and/or (vii) any violation of Environmental Laws including, without limit, reasonable attorneys' and consultants' fees (the attorneys and consultants to be selected by the Mortgagee), investigation and laboratory fees, environmental studies required by the Mortgagee (whether prior to foreclosure, or otherwise), court costs and litigation expenses. Upon the request of the Mortgagee, the Mortgagor and any guarantor shall execute a separate indemnity consistent with this paragraph.

(c) The Mortgagor has never received any notice ("Environmental Complaint") of any violation of Environmental Laws with respect to the Mortgagor or the mortgaged premises (and, within five (5) days of receipt of any Environmental Complaint, the Mortgagor shall give the Mortgagee a copy of it), and to the best of the Mortgagor's knowledge, there have been no

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actions commenced or threatened by any party with respect to the Mortgagor or the mortgaged premises for noncompliance with any Environmental Laws.

(d) In the event this Mortgage is foreclosed or the Mortgagor tenders a deed in lieu of foreclosure, the Mortgagor shall deliver the mortgaged premises to the Mortgagee, purchaser or grantee, as the case may be, free of any and all Hazardous Materials not in compliance with all Environmental Laws so that the condition of the mortgaged premises shall not be a violation of any Environmental Laws.

(e) Upon ten (10) days notice to the Mortgagor (except in an emergency or where not practical under applicable law, in which case notice is waived), and without limitation of the Mortgagee's other rights under this Mortgage or elsewhere, the Mortgagee has the right, but not the obligation to enter on the mortgaged premises and to take other actions as it reasonably deems appropriate to investigate or test for, clean up, remove, resolve, minimize the impact of or advise governmental agencies of the possible existence of any Hazardous Materials not in compliance with all Environmental Laws, or Environmental Complaint upon the Mortgagee's receipt of any notice from any source asserting the existence of any Hazardous Materials not in compliance with all Environmental Laws, or an Environmental Complaint pertaining to the mortgaged premises which, if true, could result in an order, suit or other action against the Mortgagor and/or any part of the mortgaged premises which, in the reasonable opinion of the Mortgagee, could jeopardize its security under this Mortgage. All reasonable costs and expenses incurred by the Mortgagee in the exercise of any of these rights shall be secured by this Mortgage and shall be payable by the Mortgagor upon demand. Any such actions conducted by the Mortgagee shall be solely for the benefit of and to protect the interests of the Mortgagee and shall not be relied upon the Mortgagor or any third party for any purpose whatsoever. By conducting any such actions, the Mortgagee does not assume control over the environmental affairs or operations of the Mortgagor nor assume any liability of the Mortgagor or any third party.

(f) The provision of this paragraph shall be in addition to any and all obligations and liabilities the Mortgagor may have to the Mortgagee at common law or pursuant to any other agreement between the parties, and shall survive (i) the repayment of Obligations under the Guaranty (ii) the discharge of this Mortgage, and (iii) the foreclosure of this Mortgage or acceptance of a deed in lieu of foreclosure.

(g) For purposes of this Mortgage, (i) "Hazardous Materials" means each and all of the following: hazardous waste, materials and/or substances as defined in any Environmental Law, petroleum, petroleum by-products, natural gas, flammable explosives, radioactive materials, and toxic materials, and (ii) "Environmental Laws" mean any and all federal, state, local or other laws (whether under common law, by legislative action or otherwise), rules, policies, ordinances, directives, orders, statutes, or regulations an object of which is to regulate or improve health, safety, or the environment including, without limit, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USC 9601 et seq.), the Superfund Amendments and Reauthorization Act of 1986 as now or hereafter amended, the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, as amended (42 USC 6901 et seq.), and the Illinois

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Environmental Protection Act, as amended (415 ILCS 5/1 et seq.) and Illinois Responsible Property Act. (765 ILCS 90/1 et seq.).

13. If the Mortgagor fails to perform in any material respect, in the time and manner required, the covenants and agreements contained in this Mortgage or under the Guaranty, or if any action or proceeding is threatened or commenced which materially and adversely affects the Mortgagee's interest, including without limit, eminent domain, environmental, bankruptcy, insolvency, building, or zoning proceedings, then the Mortgagee at its option may make such appearances, disburse such sums and take such action as is reasonably deemed necessary by the Mortgagee to protect the Mortgagee's interest and the Mortgagor will reimburse the Mortgagee upon demand for all reasonable sums disbursed and costs incurred including, without limit, reasonable attorneys' fees and costs of entry upon the mortgaged premises to effect repairs. The Mortgagee shall not be liable in any case for failure to exercise its right or for failure to continue exercising its right once having exercised them.

14. No waiver or forbearance by the Mortgagee of any right or remedy under this Mortgage shall affect or extend to or be deemed a waiver of any other right or remedy of the Mortgagee under this Mortgage nor affect or impair the subsequent exercise of the same right or remedy by the Mortgagee for any future subsequent default by the Mortgagor under this Mortgage.

15. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage, any other agreement between Mortgagor and Mortgagee or afforded by law, and may be exercised concurrently, independently or successively.

16. The occurrence of an Event of Default under the Guaranty shall be deemed an Event of Default under this Mortgage and shall entitle the Mortgagee to exercise its remedies under this Mortgage, under the Guaranty, under any other agreement between Mortgagor and Mortgagee or as otherwise provided by law.

17. Any property management agreement for the mortgaged premises, whether now in effect or entered into hereafter by Mortgagor with a property manager, shall contain a "no lien" provision whereby the property manager waives and releases, to the extent permitted by law, any and all mechanics' lien rights, if any, that it or anyone claiming through or under it may have pursuant to applicable law. Such property management agreement or a copy thereof shall be provided to Mortgagee. In addition, Mortgagor shall cause the property manager to enter into a subordination agreement with Mortgagee, in recordable form, whereby the property manager subordinates, to the extent permitted by law, its present and future lien rights and those of any party claiming by, through or under it, to the lien of this Mortgage.

18. If the Mortgagee at any time(s) for any reason shall incur or expend any sums including, without limit, court costs and reasonable attorneys' fees, whether or not in connection with any suit, action or proceeding, to sustain the lien of this Mortgage or its priority, or to protect the value of the mortgaged premises, or to protect or enforce or otherwise administer any of its rights under this Mortgage, or to recover any of the Obligations, or for any appraisal, environmental audit, title examination or title insurance policy relating to the mortgaged

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premises, or otherwise in any way relating to this Mortgage or the Obligations including, without limit, sums expended in connection with any suit involving the conduct of the Mortgagor or the Mortgagee with respect to this Mortgage or the Obligations, all of these sums on demand shall be paid by the Mortgagor to the Mortgagee, together with the interest on these sums at the highest rate charged by the Mortgagee to the Mortgagor on any of the Obligations (but not to exceed the maximum interest rate permitted by applicable law), and shall be a lien on the mortgaged premises and secured by this Mortgage.

19. Mortgagor agrees to indemnify and hold harmless Mortgagee from and against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, costs and expenses (including reasonable attorneys' fees and disbursements) which may be imposed on, incurred or paid by or asserted against Mortgagee by reason or on account of, or in connection with, (i) any willful misconduct of Mortgagor or any event of default hereunder or under the Guaranty to secure the Obligations of Mortgagor thereunder, (ii) Mortgagee's good faith and commercially reasonable exercise of any of its rights and remedies, or the performance of any of its duties, hereunder or under the Guaranty, (iii) the construction, reconstruction or alteration of the mortgaged premises, (iv) any negligence of Mortgagor, or any negligence or willful misconduct of any lessee of the mortgaged premises, or any of their respective agents, contractors, subcontractors, servants, employees, licensees or invitees or (v) any accident, injury, death or damage to any person or property occurring in, on or about the mortgaged premises or any street, drive, sidewalk, curb or passageway adjacent thereto. All of these sums shall on demand be paid by the Mortgagor to the Mortgagee, together with the interest on these sums at the highest rate charged by the Mortgagee to the Mortgagor on any of the Obligations (but not to exceed the maximum interest rate permitted by applicable law), and shall be a lien on the mortgaged premises and secured by this Mortgage. The provisions of this paragraph 19 shall be in addition to any and all obligations and liabilities the Mortgagor may have to the Mortgagee at common law or pursuant to the Guaranty or any other agreement between the parties, and shall survive (i) the repayment of all sums due under the Guaranty executed in connection with this Mortgage and the repayment of all Obligations, (ii) the satisfaction of all other obligations of the Mortgagor under this Mortgage and the Guaranty, (iii) the discharge of this Mortgage, and (iv) the foreclosure of this Mortgage or acceptance of a deed in lieu of foreclosure.

20. Immediately upon the occurrence of and during the continuation of any event of default, the Mortgagee shall have the option, in addition to and not in substitution for, all other rights and remedies provided in this Mortgage, under the Guaranty, or under any other agreement between the Mortgagor and the Mortgagee or afforded by law, and is authorized by the Mortgagor, to do any or all of the following:

(a) Declare the entire unpaid amount of the Obligations, together with accrued and unpaid interest on it, and any and all other charges payable by the Mortgagor to the Mortgagee to be immediately due and payable and, at the Mortgagee's option, (i) to bring suit for the same, (ii) to bring suit for any delinquent payment of or upon the Obligations, (iii) to take any and all steps and institute any and all other proceedings that the Mortgagee deems necessary to enforce payment of the Obligations and performance of other obligations secured under this Mortgage and to protect the lien of this Mortgage.

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(b) Commence foreclosure proceedings against the mortgaged premises through judicial proceedings, pursuant to applicable law. The commencement by the Mortgagee of foreclosure proceedings shall be deemed an exercise by the Mortgagee of its option to accelerate the Obligations, unless such proceedings on their face specifically indicate otherwise. The Mortgagor grants power to the Mortgagee to sell the mortgaged premises or to cause the same to be sold at public sale, and to convey the same to the purchaser, in accordance with applicable statutes in a single parcel or in several parcels at the option of the Mortgagee.

(c) Cause to be updated an abstract or abstracts and tax histories of the mortgaged premises, procure title insurance or title reports and procure new abstracts and tax histories.

(d) Obtain a receiver to manage the mortgaged premises and collect the rents, profits and income from it.

(e) Enter upon the mortgaged premises and take other actions as the Mortgagee reasonably deems appropriate to investigate or test for the presence of any Hazardous Materials and/or to appraise the mortgaged premises. Without limiting what other rights and remedies of the Mortgagee are specifically enforceable, the Mortgagor agrees that the Mortgagee's rights under this paragraph 23(e) are specifically enforceable since there is no adequate monetary remedy available to the Mortgagee.

(f) Contest the amount or validity of any taxes applicable to the mortgaged premises by appropriate proceedings either in the Mortgagee's name, the Mortgagor's name or jointly with the Mortgagor. The Mortgagor shall execute and deliver to the Mortgagee, upon demand, whatever documents and information the Mortgagee determines may be necessary or proper to so contest the taxes or to secure payment of any resulting refund. The Mortgagor shall reimburse the Mortgagee for all costs and expenses, including without limit reasonable attorneys' fees, incurred in connection with each tax contest proceeding. All refunds resulting from each tax contest proceeding shall belong to the Mortgagee to be applied against the Obligations with the surplus, if any, to be paid to the Mortgagor. The Mortgagee and any of its employees are each irrevocably appointed attorney-in-fact for the Mortgagor and are authorized to execute and deliver in the name of the Mortgagor those documents deemed necessary or proper by the Mortgagee to carry out any tax contest proceeding or receive the resulting refunds, if any.

(g) In the event of any sale of the mortgaged premises by foreclosure, apply the proceeds of any such sale in the following order or such other order as the Mortgagee may elect: to (i) all expenses reasonably incurred for the collection of the Obligations and the foreclosure of this Mortgage including, without limit, reasonable attorneys' fees; (ii) all sums reasonably expended or incurred by the Mortgagee directly or indirectly in carrying out terms, covenants and agreements of or under this Mortgage or any related document together with interest as provided in this Mortgage; (iii) all accrued and unpaid interest and late payment charges upon the Obligations; (iv) the unpaid principal amount of the Obligations; and (v) the surplus, if any, paid to the Mortgagor unless a court of competent jurisdiction decrees otherwise.

21. If any provision of this Mortgage is in conflict with any statute or rule of law or is otherwise unenforceable for any reason, then that provision shall be deemed null and void to the

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extent of the conflict or unenforceability and shall be deemed severable, but shall not invalidate any other provision of this Mortgage.

22. Mortgagor shall not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. In the event of foreclosure of this Mortgage or the enforcement by the Mortgagee of any other rights and remedies under this Mortgage, the Mortgagor waives any right otherwise available in respect to marshaling of assets which secure the Obligations or to require the Mortgagee to pursue its remedies against any other assets or any other party which may be liable for any of the Obligations. In the event of any foreclosure or other sale under this Mortgage by virtue of judicial proceedings, advertisement, or otherwise, the mortgaged premises may be sold in one parcel and as an entirety, or in such parcels, manner or order as the Mortgagee in its sole discretion may elect. Mortgagor does hereby expressly waive any and all rights of redemption from any sale or from any order, judgment or decree of foreclosure of this Mortgage on behalf of Mortgagor, and each and every person acquiring any interest in or title to the mortgaged premises subsequent to the date of this Mortgage. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note hereby secured. Mortgagor does hereby further expressly waive, to the extent now or hereafter permitted by law, all rights of reinstatement of this Mortgage pursuant to Section 15-1602 of the Illinois Mortgage Foreclosure Law.

23. Promptly upon the request of the Mortgagee, the Mortgagor shall execute, acknowledge and deliver any and all further conveyances, documents, mortgages and assurances, and do or cause to be done all further acts as the Mortgagee may reasonably require to confirm and protect the lien of this Mortgage or otherwise to accomplish the purposes of this Mortgage.

24. Nothing contained in this Mortgage is intended, nor should it be construed, to preclude the Mortgagee from pursuing any other remedy provided by law for the collection of the Obligations or any portion of it, or for the recovery of any other sum to which the Mortgagee may be or become entitled for breach of this Mortgage by the Mortgagor, nor shall anything contained in this Mortgage reduce or release in any manner any rights, security interests or liens in favor of the Mortgagee contained in any existing or future agreement between the Mortgagor and the Mortgagee.

25. Any reference in this Mortgage to attorneys' fees shall be deemed a reference to fees, charges, costs and expenses of outside counsel and paralegals, whether or not a suit or proceeding is instituted, and whether incurred at the trial court level, on appeal, in a bankruptcy, administrative or probate proceeding, in a workout, in consultation with counsel, or otherwise. All costs, expenses and fees of any nature for which the Mortgagor is obligated to reimburse or indemnify the Mortgagee are part of the Obligations secured by this Mortgage and are payable upon demand, unless expressly provided otherwise, with interest until repaid at the highest rate charged by the Mortgagee on any of the Obligations (but not to exceed the maximum rate permitted by applicable law).

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26. With respect to the right, title, interest or lien of any person or entity which is superior to the lien of this Mortgage, the Mortgagee has the right, but not the obligation, to acquire and/or pay off the holder of such right, title, interest or lien and add the amount so paid to the Obligations and charge interest on that amount at the highest rate charged by the Mortgagee to the Mortgagor on any of the Obligations (but not to exceed the maximum interest rate permitted under the applicable law).

27. This Mortgage constitutes the entire agreement of the Mortgagor and the Mortgagee with respect to the subject matter of this Mortgage. No waiver, consent, modification or change of the terms of this Mortgage shall bind the Mortgagor or the Mortgagee unless in writing and signed by the party, or an authorized officer of the party, against whom enforcement is sought. Each waiver, consent, modification or change shall be effective only for the specific purpose given.

28. This Mortgage shall be binding on the Mortgagor and the Mortgagee and on the Mortgagor's and the Mortgagee's heirs, legal representatives, successors and assigns including, without limit, any debtor in possession or trustee in bankruptcy for the Mortgagor. This shall not be deemed a consent by the Mortgagee to a conveyance by the Mortgagor of all or part of the mortgaged premises or of any ownership interest in the Mortgagor.

29. Upon request by the Mortgagee, the Mortgagor shall promptly provide the Mortgagee with the certificates of occupancy, licenses, rent rolls, income and expense statements and other documents and information pertaining to the mortgaged premises and its operations as the Mortgagee, from time to time, may reasonably request.

30. At the sole option of the Mortgagee, this Mortgage shall become subordinate, in whole or in part (but not with respect to priority as to insurance proceeds or any eminent domain award) to any or all leases and/or occupancy agreements of all or part of the mortgaged premises upon the execution by the Mortgagee, and recording in the appropriate official county records where the premises are located, of a unilateral declaration to that effect.

31. To the extent that any of the Obligations is payable on demand, nothing contained in this Mortgage shall be construed to prevent the Mortgagee from making demand, without notice and with or without reason, for immediate payment of all or any part of that Obligations at any time or times, whether or not an event of default has occurred.

32. Mortgagee shall have a right to inspect, audit, appraise and examine the mortgaged premises at all reasonable times and access shall be permitted for that purpose provided that such inspections, etc. shall not unreasonably interfere with Mortgagors business operations. Any inspection, audit, appraisal or examination by the Mortgagee or its agents of the mortgaged premises is for the sole purpose of protecting the Mortgagee's interests under this Mortgage and is not for the benefit or protection of the Mortgagor or any third party. The Mortgagee has no obligation to provide the Mortgagor or any third party designated by the Mortgagor with information concerning or results of any inspection, audit, appraisal or examination by the Mortgagee or its agents. If the Mortgagee, in its sole discretion, discloses information to the Mortgagor this disclosure is for the sole protection of the Mortgagee, does not

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constitute an agreement to further disclosure and does not create a warranty by the Mortgagee as to the accuracy, sufficiency or any other aspect of the disclosure.

33. Upon full and final payment of the Obligations and performance by the Mortgagor of all its other obligations under this Mortgage, except as otherwise provided in paragraphs 12(f), 19 and 34 of this Mortgage, the parties shall automatically each fully, finally and forever release and discharge the other from any claim, liability or obligation in connection with this Mortgage and the Obligations.

34. Notwithstanding any prior revocation, termination, surrender or discharge of this Mortgage, the effectiveness of this Mortgage shall automatically continue or be reinstated, as the case may be, in the event that (a) any payment received or credit given by the Mortgagee in respect of the Obligations is returned, disgorged or rescinded as a preference, impermissible setoff, fraudulent conveyance, diversion of trust funds, or otherwise under any applicable state or federal law, including, without limitation, laws pertaining to bankruptcy or insolvency, in which case this Mortgage shall be enforceable as if the returned, disgorged or rescinded payment or credit had not been received or given, whether or not the Mortgagee relied upon this payment or credit or changed its position as a consequence of it; or (b) any liability is imposed or sought to be imposed, against the Mortgagee relating to the environmental condition of, or the presence of hazardous or toxic substances on, in or about, any property given as collateral to the Mortgagee for the Obligations, whether this condition is known or unknown, now exists or subsequently arises (excluding only conditions which arise after any acquisition by the Mortgagee of any such property, by foreclosure, in lieu of foreclosure or otherwise, to the extent due to the wrongful act or omission of the Mortgagee), in which case this Mortgage shall be enforceable to the extent of all liability, costs and expenses (including without limit reasonable attorneys fees) incurred by the Mortgagee as the direct or indirect result of any environmental condition of hazardous toxic substances. In the event of continuation or reinstatement of this Mortgage, Mortgagor agrees upon demand by the Mortgagee to execute and deliver to the Mortgagee those documents which the Mortgagee determines are appropriate to further evidence (in the public records or otherwise) this continuation or reinstatement, although the failure of the Mortgagor to do so shall not affect in any way the reinstatement or continuation. If Mortgagor does not execute and deliver to the Mortgagee upon demand such documents, the Mortgagee and each Mortgagee officer are irrevocably appointed (which appointment is coupled with an interest) the true and lawful attorney of the Mortgagor (with full power of substitution) to execute and deliver such documents in the name and on behalf of the Mortgagor.

35. THIS MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS OTHER THAN ITS CHOICE OF LAW PROVISIONS.

36. MORTGAGOR AND MORTGAGEE EACH WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND IN ANY COURT TO WHICH MORTGAGOR AND MORTGAGEE MAY BOTH BE PARTIES, WHETHER ARISING OUT OF, UNDER, OR BY REASON OF THIS AGREEMENT OR BY REASON OF ANY CAUSE OR DISPUTE WHATSOEVER BETWEEN MORTGAGOR AND MORTGAGEE, AND MORTGAGOR AND MORTGAGEE EACH CONSENT TO THE JURISDICTION AND

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VENUE OF THE CIRCUIT COURT FOR COOK COUNTY ILLINOIS AND THE FEDERAL DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION AND TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

37. In case of the occurrence and continuation of an Event of Default and in any case in which under the provisions of this instrument Mortgagee has a right to institute foreclosure proceedings, before or after the whole principal sum secured hereby is declared to be immediately due, or before or after the institution of legal proceedings to foreclose the lien hereof, or before or after sale thereunder, Mortgagee may be appointed Mortgagee in possession and Mortgagor waives any right it may have to object to such appointment. In such event, Mortgagor shall surrender to the Mortgagee and the Mortgagee shall be entitled to take actual possession of the mortgaged premises or any part thereof, personally or by its agents or attorneys, together with all documents, books, records, papers and accounts of the Mortgagor, and may exclude the Mortgagor, its agents or servants wholly therefrom and may act as attorney-in-fact or agent of the Mortgagor, or in its own name as the Mortgagee and under the powers herein granted, hold, operate, manage and control the mortgaged premises and conduct the business thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as it may deem proper or necessary to enforce the payment or security of the avails, rents, issues and profits of the mortgaged premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power:

(i) to cancel or terminate any lease or sublease for any cause or on any grounds that would entitle the Mortgagor to cancel the same;

(ii) to elect or disaffirm any lease or sublease which is then subordinate to the lien hereof except to the extent proscribed by any non-disturbance agreement to which the Mortgagee is a party;

(iii) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire or for options to lessees to extend or renew terms to expire beyond the maturity date of the Obligations secured hereby and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein shall be binding upon the Mortgagor and all persons whose interests in the mortgaged premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Obligations, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser;

(iv) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the mortgaged premises as to it may seem judicious;

(v) to insure and reinsure the same and all risks incidental to the Mortgagee's possession, operation and management thereof; and

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(vi) to receive all of such avails, rents, issues and profits hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times, hereafter, without notice to the Mortgagor. The Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases. The Mortgagor shall and does hereby agree to indemnify and hold the Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should the Mortgagee incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby and the Mortgagor shall reimburse the Mortgagee therefore immediately upon demand.

38. The Mortgagee, in the exercise of the rights and powers herein conferred upon it shall have full power to use and apply the avails, rents, issues, profits and proceeds of the mortgaged premises in payment of or on account of the following, in such order as the Mortgagee may determine:

(i) to the payment of any Obligations hereby secured or any deficiency which may result from any foreclosure sale;

(ii) to the payment of the operating expenses of the mortgaged premises, including cost of management and leasing thereof (which shall include reasonable compensation to the Mortgagee and its agent or agents if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;

(iii) to the payment of taxes and special assessments now due or which may hereafter become due on the mortgaged premises; and, if this is a leasehold mortgage, of all rents due or which may become hereafter due under the underlying lease; and

(iv) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the mortgaged premises, and of placing the mortgaged premises in such condition as will, in the judgment of the Mortgagee, make it readily rentable.

39. Nothing shall be construed as constituting the Mortgagee a mortgagee in possession in the absence of actual taking of possession of the mortgaged premises by the Mortgagee.

40. The terms of the Guaranty secured by this Mortgage are incorporated into this Mortgage by reference and are specifically made a part of this Mortgage and shall be binding upon the Mortgagor, its successors and assigns.

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Exhibit A
Legal Description

Lot 11 in Meadowbrook, Being a Subdivision of Part of the South ½ of Section 8, Township 41 North, Range 11, East of the Third Principal Meridian, According to the Plat Thereof Recorded March 24, 1981 as Document 25815283 and Corrected by Certificate of Correction Thereto Recorded July 16, 1981 as Document 25939524, In Cook County, Illinois.

Commonly Known As 5650 Meadowbrook Drive and 2350 Lois Drive, Rolling Meadows, Illinois

Property of Cook County Clerk's Office