

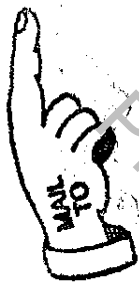
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This instrument was prepared by and should be returned after recording to:

Jon Goldman
1122 N LaSalle
Chicago, IL 60610



Doc#: 0619945064 Fee: \$72.50
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 07/18/2008 10:57 AM Pg: 1 of 25



MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (this "Mortgage") is made as of March 15, 2005, between 455 W north ave LLC, an Illinois limited liability company, whose address is c/o 455 w north ave llc Michael Mlsna 455 w north ave , Chicago, IL 60610, and Jon Goldman, whose address is c/o Jon Goldman ,1122 North LaSalle Street, Chicago, IL 60610 ("Mortgagee").

RECITALS

Mortgagor is indebted to Mortgagee in the principal sum of \$400,000.00 which indebtedness is evidenced by a mortgage note dated of even date herewith and all modifications, substitutions, extensions and renewals thereof ("Note") providing for repayment of principal and interest and providing for a final payment of all sums due thereunder on June 1, 2006 subject to extension as provided therein.

THE GRANT

TO SECURE to Mortgagee the repayment of the indebtedness evidenced by the Note, with interest therein; 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 and the Guaranty, all future advances and all other indebtedness of Mortgagor to Mortgagee whether now or

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hereafter existing (collectively, the "Secured Indebtedness" or "Indebtedness") and also for other good and valuable consideration, the receipt and sufficiency whereof are acknowledged, Mortgagor does hereby convey, grant, and mortgage to Mortgagee the real estate ("Real Estate") located in the County of Cook, State of Illinois and described on Exhibit A, subject only to the covenants, conditions, easements and restrictions set forth on Exhibit B, if any ("Permitted Encumbrances");

TOGETHER WITH the following described property, all of which other property is pledged primarily on a parity with the Real Estate and not secondarily:

(a) all buildings, structures, signs, billboards and other improvements of every kind and description now or hereafter erected, situated, or placed upon the Real Estate ("Improvements"), together with any and all Personal Property (as defined in Paragraph (j) below), attachments now or hereafter owned by Mortgagor and located in or on, forming part of, attached to, used or intended to be used in connection with, or incorporated in any such Improvements including all extensions, additions, betterments, renewals, substitutions and replacements to any of the foregoing;

(b) all estate, claim, demand, right, title and interest of Mortgagor now owned or hereafter acquired, including without limitation, any after-acquired title, franchise, license, remainder or reversion, in and to (i) any land or vaults lying within the right-of-way of any street, avenue, way, passage, highway, or alley, open or proposed, vacated or otherwise, adjoining the Real Estate; (ii) any and all alleys, sidewalks, streets, avenues, strips and gores of land belonging, adjacent or pertaining to the Real Estate and Improvements; (iii) storm and sanitary sewer, septic, water, gas, electric, railway and telephone services relating to the Real Estate and Improvements; (iv) all development rights, air rights, water, water rights, water stock, gas, oil, minerals, coal and other substances of any kind or character underlying or relating to the Real Estate or any part thereof; and (v) each and all of the tenements, hereditaments, easements, appurtenances, other rights, liberties, reservations, allowances, and privileges relating to the Real Estate or the Improvements or in any way now or hereafter appertaining thereto, including homestead and any other claim at law or in equity;

(c) all leasehold estates, right, title and interest of Mortgagor in any and all leases, sub-leases, management agreements, arrangements, concessions or agreements, written or oral, relating to the use and occupancy of the Real Estate and Improvements or any portion thereof, now or hereafter existing or entered into (collectively "Leases");

(d) all rents, issues, profits, royalties, revenue, advantages, income, avails, claims against guarantors, all cash or security deposits, advance rentals, deposits or payments given and other benefits now or hereafter derived directly or indirectly from the Real Estate and Improvements under the Leases or otherwise (collectively "Rents");

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(e) all right, title and interest of Mortgagor in and to all options to purchase or lease the Real Estate or Improvements or any portion thereof or interest therein, or any other rights, interests or greater estates in the rights and properties comprising the Premises (as defined below) now owned or hereafter acquired by Mortgagor;

(f) any interests, estates or other claims of every name, kind or nature, both in law and in equity, which Mortgagor now has or may acquire in the Real Estate and Improvements or other rights, interests or properties comprising the Premises now owned or hereafter acquired;

(g) all rights of Mortgagor to any and all plans and specifications, designs, drawings and other matters prepared for any construction on the Real Estate or to the Improvements;

(h) all rights of Mortgagor under any contracts executed by Mortgagor with any provider of goods or services for or in connection with any construction undertaken on or services performed or to be performed in connection with the Real Estate or Improvements;

(i) all rights of Mortgagor as seller or borrower under any agreement, contract, understanding or arrangement pursuant to which Mortgagor has, with the prior written consent of the Mortgagee, obtained the agreement of any person or entity to pay or disburse any money for Mortgagor's sale (or borrowing on the security) of the Premises or any part thereof;

(j) all right, title and interest of Mortgagor in and to all tangible personal property ("Personal Property"), owned by Mortgagor and now or at any time hereafter located in, on or at the Real Estate or Improvements or used or useful in connection with the ownership, improvement, and/or operations of the Real Estate or the Improvements, and any replacements thereof and/or substitutions therefore, including, but not limited to:

(i) all furniture, furnishings and equipment furnished by Mortgagor to the Real Estate or Improvements;

(ii) all building materials and equipment located upon the Real Estate and intended for construction, reconstruction, alteration, repair or incorporation in or to the Improvements now or hereafter to be constructed thereon, whether or not yet incorporated in such Improvements (all of which shall be deemed to be included in the Premises upon delivery thereto);

(iii) all machines, machinery, fixtures, apparatus, equipment or articles used in supplying heating, gas, electricity, air-conditioning, water, light, power, plumbing, sprinkler, waste

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removal, refrigeration, ventilation, and all fire sprinklers, alarm systems, protection, electronic monitoring equipment and devices;

(iv) all window, structural, maintenance and cleaning equipment and rigs;

(v) all furniture and equipment, including without limitation, tables, cash registers, chairs, planters, desks, shelves, lockers and cabinets, store fixtures, refrigerators, refuse containers, air compressors and store supplies and other furnishings;

(vi) all rugs, carpets and other floor coverings, curtains, draperies, drapery rods and brackets, awnings, window shades, Venetian blinds, curtains and linens;

(vii) all lamps, chandeliers and other lights;

(viii) all electronic and other equipment and materials;

(ix) all motor vehicle fuel, goods, stock in trade or other inventory; and

(x) all right, title, and interest of Mortgagor in all other personal property or fixtures owned and to be owned and used and to be used in connection with the improvement and/or operations of the Real Estate and/or the conduct of the business of Mortgagor thereupon, including, without limitation, communications equipment, business equipment, calculators, computers, office machines, books of account and records for the Premises, screens, security systems, shades, sinks, sprinklers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, and all renewals, replacements or substitutions, whether or not attached to such Improvements. All such property owned by Mortgagor and placed by it on the Real Estate or used in connection with the operation or maintenance shall, so far as permitted by law, be deemed for the purposes of this Mortgage to be part of the real estate constituting and located on the Real Estate and covered by this Mortgage. As to any of the property that is not part of such real estate or does not constitute a "fixture," as such term is defined in the Uniform Commercial Code of the State of Illinois (the "Code"), this Mortgage shall be deemed to be a security agreement under the Code for the purpose of creating hereby a security interest in the Personal Property, which Mortgagor hereby grants to the Mortgagee as "secured party" as defined in the Code. The enumeration of any specific items of

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Personal Property set forth herein shall in no way exclude or be held to exclude any items of property not specifically enumerated.

(k) 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 Premises 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 Premises, including, without limitation, any awards and compensation resulting from a change of grade of streets and awards and compensation for severance damages (collectively, "Awards").

Except as otherwise required by law, all of the foregoing are declared to be a part of the Real Estate whether physically attached or not. Except as otherwise required by law, 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 and the Improvements are hereinafter referred to as the "Premises". If this Mortgage creates a lien on more than one (1) parcel of real property which are not contiguous, the references to "Real Estate" and "Premises" herein shall be deemed to mean each separate parcel, except as the context otherwise requires.)

To have and to hold the Premises unto Mortgagee, 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 Premises is located, which rights and benefits Mortgagor does hereby expressly release and waive.

COVENANTS AND AGREEMENTS

1. Payment of Principal and Interest. Mortgagor shall promptly pay or cause to be paid when due and perform all Secured Indebtedness.

2. Funds for Taxes and Insurance.

(a) Subject to applicable law, if requested by Mortgagee upon an Event of a Default (as defined below), Mortgagor shall thereafter pay or cause to be paid to Mortgagee on the first day of each month until the Note is paid in full, the following amounts (collectively "Funds"): (i) a sum equal to all general and special real estate and property taxes and assessments and ground rents on the Premises, if any (collectively "Impositions") next due on the Premises, all as estimated by Mortgagee, divided by the whole number of months to elapse before the month prior to the date when the next Impositions will become due and payable; provided that in the case of the first such deposit, there shall be deposited in addition an amount which, when added to the aggregate amount of monthly sums next payable under this subparagraph (i), will result in a sufficient reserve to

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pay the Impositions next becoming due one month prior to the date when such Impositions are, in fact, due and payable, plus (ii) a sum equal to an installment of the premium or premiums that will become due and payable to renew the insurance required in Paragraph 12, each installment to be in such an amount that the payment of approximately equal installments will result in the accumulation of at sufficient sum of money to pay renewal premiums for such insurance at least one (1) month prior to the expiration or renewal date or dates of the policy or policies to be renewed; if any, all as are reasonably estimated initially and from time to time by Mortgagee on the basis of assessments and bills and reasonable estimates thereof.

(b) The Funds shall be held by Mortgagee or, at Mortgagee's election, in escrow in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency ("depository account"). Mortgagee shall apply the Funds to pay the Impositions, except that in the Event of Default, Mortgagee may apply the Funds to the Secured Indebtedness as Mortgagee sees fit. Mortgagee shall not be required to pay any interest or earnings on the Funds unless otherwise required by law, in which case, all interest shall accrue in the depository account and Mortgagee may charge for so holding and applying the Funds, analyzing the account or verifying and compiling assessments and bills. The Funds are pledged as additional security for the sums secured by this Mortgage. The Funds are for the benefit of Mortgagor and Mortgagee only and no third party shall have any right to or interest in the Funds or the application thereof.

(c) If the amount of the Funds held by Mortgagee shall not be sufficient to pay the Impositions and insurance premiums as they fall due, Mortgagor shall immediately pay or cause to be paid to Mortgagee any amount necessary to make up the deficiency in one or more payments as Mortgagee may require.

(d) Upon payment in full of all Secured Indebtedness, Mortgagee shall promptly refund to Mortgagor, or to any person to whom Mortgagor directs, any Funds then held by Mortgagee.

3. Application of Payments. Unless prohibited by applicable law all payments received by Mortgagee under this Mortgage, the Note, any other mortgage and security agreements securing the Secured Indebtedness, and all other documents given to Mortgagee to further evidence, secure or guarantee the Secured Indebtedness (collectively, and as amended, modified or extended, the "Loan Documents") shall be applied by Mortgagee first to payments required from Mortgagor to Mortgagee under Paragraph 2, then to any sums advanced by Mortgagee pursuant to any of the Loan Documents to protect the security of this Mortgage or any of the other Loan Documents and any costs or expenses in connection therewith, then to interest payable on the Note 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).

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Any applications to principal of Awards shall not extend or postpone the due date of any 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.

4. Prior Encumbrances; Liens. Mortgagor shall perform all of Mortgagor's obligations under any mortgage, deed of trust or other security agreement (collectively "Prior Encumbrances") creating a lien having priority over this Mortgage, including Mortgagor's covenants to make payments when due. Any act or omission of Mortgagor which, with the giving of notice or the passage of time would constitute a default or event of default under any Prior Encumbrance, shall be a default under this Mortgage. Mortgagor shall promptly deliver to Mortgagee all notices given or received of any defaults or events of default under any Prior Encumbrance. Although this Paragraph requires Mortgagor to comply with Prior Encumbrances, it does not entitle Mortgagor to create or allow a Prior Encumbrance that would be otherwise prohibited by this Mortgage, such as Prohibited Transfers under Paragraph 16, or prohibited by the other Loan Documents.

Mortgagor shall keep the Premises free from mechanics' and all other encumbrances and liens (except Permitted Encumbrances and statutory liens for real estate taxes and assessments not yet due and payable); provided, however, that Mortgagor may in good faith, by appropriate proceedings, contest the validity, applicability or amount of any asserted lien and, pending such contest, Mortgagor shall not be deemed to be in default hereunder if Mortgagor shall first deposit with Mortgagee a bond or other security satisfactory to Mortgagee in the amount of one hundred fifty percent (150%) of the amount of such lien. Mortgagor shall pay the disputed amount and all interest and penalties due in respect thereof on or before the date any adjudication of the validity or amount thereof becomes final and, in any event, no less than thirty (30) days prior to any foreclosure sale of the Premises or the exercise of any other remedy by such claimant against the Premises.

5. Taxes and Assessments; Rents. Mortgagor shall pay or cause to be paid when due all Impositions and water, sewer and other charges and attributable to the Premises. Mortgagor shall provide evidence satisfactory to Mortgagee 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.

6. Senior Debt. Mortgagee acknowledges that the Premises is encumbered by a first mortgage in favor of First Choice Bank in the amount of \$1,000,000.00 and agrees that its rights are subordinate to such first mortgage and such loan as in effect on the date hereof.

7. Covenants. In addition to the other covenants contained herein, Mortgagor agrees to comply with the following:

(a) Notice of Defaults. Mortgagor will promptly notify Mortgagee in writing of the occurrence of any Event of Default or the occurrence of any event which with the passage of time or upon notice or both may constitute an Event of Default. If any person or entity shall give any notice or take any other action in respect of a claimed default (whether or not constituting an Event of Default)

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under this Mortgage or under any note, evidence of indebtedness, indenture or other obligation to which or with respect to which Mortgagor is a party or obligor, whether as principal or surety, and such default would permit the holder of such note or obligation or other evidence of indebtedness to accelerate the maturity thereof, which acceleration would have a material adverse effect on Mortgagor, Mortgagor shall forthwith give written notice thereof to Mortgagee, describing the notice or action and the nature of the claimed default.

(b) Notification of Claims. Mortgagor will, immediately upon becoming aware thereof, notify Mortgagee in writing of any setoff, claims (including, with respect to the Premises, environmental claims), withholdings or other defenses to which any of the Premises, or Mortgagee's rights with respect to the Premises, are subject.

(c) Notice of Litigation and Judgments. Mortgagor will give notice to Mortgagee in writing within fifteen (15) days of becoming aware of any litigation or proceedings threatened in writing or any pending litigation and proceedings affecting Mortgagor or is or is to become a party involving an uninsured claim against Mortgagor or the Premises that could reasonably be expected to have a materially adverse effect on Mortgagor or the Premises, and stating the nature and status of such litigation or proceedings. Mortgagor will give notice to Mortgagee, in writing, in form and detail satisfactory to Mortgagee, within ten (10) days of any judgment not covered by insurance, final or otherwise, against Mortgagor in an amount in excess of \$100,000.00.

(d) ADA. The Premises and the use and operation thereof shall comply with all the Americans with Disability Act of 1990, 42 U.S.C. _ 1201 et seq., any judicial or administrative interpretations thereof, and any judicial and administrative consent decrees, orders or judgments, whether now existing or hereinafter promulgated relating thereto (collectively, the "ADA"). All required governmental permits and licenses shall remain in effect, and Mortgagor shall comply therewith. Mortgagor will satisfy all requirements of the ADA. Mortgagor shall provide such information and certifications which Mortgagee may reasonably request from time to time to insure Mortgagor's compliance with this Paragraph. To investigate Mortgagor's compliance with the ADA and with this Paragraph, Mortgagee shall have the right, but no obligation, at any time to enter upon the Premises, review the Premises, review Mortgagor's books and records, interview Mortgagor's employees and officers, and conduct similar activities. Mortgagor shall cooperate in the conduct of such an audit.

(e) Sale of Personal Property. Except for the sale of Personal Property in the ordinary course of business, Mortgagor will not, unless Mortgagee shall otherwise consent in writing, sell, lease, transfer, assign or otherwise dispose of, or create or permit to exist any lien on or security interest in, any Personal Property other than obsolete equipment to or in favor of anyone other than Mortgagee;

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(f) Further Assurances. Mortgagor will cooperate with Mortgagee and take such action and execute such further instruments and documents as Mortgagee shall reasonably request to carry out to its satisfaction the transactions contemplated by this Mortgage and the other Loan Documents. Upon Mortgagor's failure to do any of the foregoing, Mortgagor hereby irrevocably appoints Mortgagee the agent and attorney of Mortgagor to do so.

8. Hazardous Materials Covenants and Indemnification.

(a) Definitions. The following definitions shall apply for purposes of this Paragraph 8:

(i) "Environmental Laws" shall mean and include each and every federal, state or local statute, regulation or ordinance or any judicial or administrative decree or decision, whether now existing or hereafter enacted, promulgated or issued, with respect to any Hazardous Materials (as hereinafter defined), drinking water, groundwater, wetlands, flood plains, landfills, open dumps, storage tanks, underground storage tanks, solid waste, waste water, storm water run-off, waste emissions or wells. Without limiting the generality of the foregoing, the term shall encompass each of the following statutes and regulations promulgated thereunder as well as any amendments and successors to such statutes and regulations and new laws, as may be enacted and promulgated from time to time: (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (codified in scattered sections of 26 U.S.C., 33 U.S.C., 42 U.S.C. and 42 U.S.C. § 9601 et seq.); (ii) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 et seq.); (iii) Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.); (iv) the Toxic Substances Control Act (15 U.S.C. § 2061 et seq.); (v) the Clean Water Act (33 U.S.C. § 1251 et seq.); (vi) the Clean Air Act (42 U.S.C. § 7401 et seq.); (vii) the Safe Drinking Water Act (42 U.S.C. § 300f et seq.); (viii) the National Environmental Policy Act of 1969 (42 U.S.C. § 4321); (ix) the Superfund Amendment and Reauthorization Act of 1986 (codified in scattered sections of 10 U.S.C., 29 U.S.C., 33 U.S.C. and 42 U.S.C.); (x) Title III of the Superfund Amendment and Reauthorization Act (40 U.S.C. § 1101 et seq.); and (xi) the Illinois Environmental Protection Act, as amended (415 ILCS 5/1 et seq.).

(ii) "Hazardous Materials" shall mean each and every element, compound, chemical mixture, contaminant, pollutant, material, waste or other substance which is defined, determined or identified as hazardous or toxic under any Environmental Law.

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Without limiting the generality of the foregoing, the term shall mean and include:

(A) "hazardous substances" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendment and Reauthorization Act of 1986, or Title III of the Superfund Amendment and Reauthorization Act, each as amended, and regulations promulgated thereunder;

(B) "hazardous waste" and "regulated substances" as defined in the Resource Conservation and Recovery Act of 1976, as amended, and regulations promulgated thereunder;

(C) "hazardous materials" as defined in the Hazardous Materials Transportation Act, as amended, and regulations promulgated thereunder;

(D) "chemical substance or mixture" as defined in the Toxic Substances Control Act, as amended, and regulations promulgated thereunder; and,

(E) "hazardous waste" as defined in the the Illinois Environmental Protection Act, as amended, and regulations promulgated thereunder, and "hazardous substance" as defined in the the Illinois Environmental Protection Act, as amended, and regulations promulgated thereunder;

(iii) "Indemnified Parties" shall mean Mortgagee's parent, subsidiaries and affiliates, each of their respective shareholders, directors, officers, partners, employees and agents, and the successors and assigns of any of them; and "Indemnified Party" shall mean any one of the Indemnified Parties.

(iv) "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, storing, escaping, leaching, dumping, or discarding, burying, abandoning, or disposing into the environment.

(v) "Threat of Release" shall mean a substantial likelihood of a Release which requires action to prevent or mitigate damage to the environment which may result from such Release.

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(b) Environmental Covenants. Mortgagor covenants and agrees with Mortgagee that Mortgagor shall:

(i) comply with all Environmental Laws;

(ii) not store (except in compliance with all Environmental Laws pertaining thereto), handle, process, dispose of, generate, Release or allow the Release of any Hazardous Materials from or onto the Premises or from or onto any adjacent property, and in the event of a Release will make the required emergency response notices;

(iii) cause or permit to be located on the Premises from and after the date hereof any underground tank or other storage receptacle for Hazardous Materials except in full compliance with Environmental Laws;

(iv) neither directly nor indirectly transport or arrange for the transport of any Hazardous Materials (except in compliance with all Environmental Laws pertaining thereto); and

(v) upon the request of Mortgagee, take all such action (including, without limitation the conducting of environmental assessments at the sole expense of Mortgagor in accordance with subparagraph (d) hereof) to confirm that no Hazardous Materials are stored, Released or disposed of on the Premises from and after the date hereof except in compliance with this Mortgage.

(c) Environmental Indemnity. Mortgagor covenants and agrees, at Mortgagor's sole cost and expense, to indemnify, defend (at trial and appellate levels, and with attorneys, consultants and experts acceptable to Mortgagee) and hold each Indemnified Party harmless from and against any and all liens, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind or of any nature whatsoever (including, without limitation, attorneys', consultants' and experts' fees and disbursements incurred in investigating, defending, settling or prosecuting any claim, litigation or proceeding) which may at any time be imposed upon, incurred by or asserted or awarded against such Indemnified Party or the Premises and arising directly or indirectly from or out of: (i) the Release or Threat of Release from and after the date hereof of any Hazardous Materials on, in, under or affecting all or any portion of the Premises or any surrounding areas, regardless of whether or not caused by or within the control of Mortgagor; (ii) the violation arising from and after the date hereof of any Environmental Laws relating to or affecting the Premises or Mortgagor, whether or not caused by or within the control of Mortgagor; (iii) the failure of Mortgagor to comply fully

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with the terms and conditions of this Paragraph 8; (iv) the violation of any Environmental Laws in connection with other real property of Mortgagor which gives or may give rise to any rights whatsoever in any party with respect to the Premises by virtue of any Environmental Laws; (v) the enforcement of this Paragraph 8, including, without limitation, (A) the costs of assessment, containment and/or removal of any and all Hazardous Materials from all or any portion of the Property or any surrounding areas, (B) the costs of any actions taken in response to a Release or Threat of Release of any Hazardous Materials on, in, under or affecting all or any portion of the Premises or any surrounding areas to prevent or minimize such Release or Threat of Release so that it does not migrate or otherwise cause or threaten danger to present or future public health, safety, welfare or the environment, and (C) costs incurred to comply with the Environmental Laws in connection with all or any portion of the Property or any surrounding areas. Mortgagee's rights under this Paragraph shall be in addition to all other rights of Mortgagee under this Mortgage and the other Loan Documents and payments by Mortgagor under this Paragraph shall not reduce Mortgagor's obligations and liabilities under any of the Loan Documents.

(d) Notice to Mortgagee. If Mortgagor receives any notice or obtains knowledge of (i) any potential or known Release or Threat of Release of any Hazardous Materials at or from the Premises, notification of which must be given to any governmental agency under any Environmental Law, or notification of which has, in fact, been given to any governmental agency, or (ii) any complaint, order, citation or notice with regard to air emissions, water discharges, or any other environmental, health or safety matter affecting Mortgagor or the Premises (an "Environmental Complaint") from any person or entity (including, without limitation, the Environmental Protection Agency), then Mortgagor shall immediately notify Mortgagee orally and in writing of said Release or Threat of Release or Environmental Complaint. Upon such notification, in the event Mortgagor has not done so, Mortgagee may, at its election without regard to whether an Event of Default has occurred, obtain one or more environmental assessments of the Premises prepared by a geohydrologist, an independent engineer or other qualified consultant or expert approved by Mortgagee which evaluates or confirms (A) whether any Hazardous Materials are present in the soil or water at or adjacent to the Premises, and (B) whether the use and operation of the Premises comply with all Environmental Laws. Environmental assessments may include detailed visual inspections of the Premises, including, without limitation, any and all storage areas, storage tanks, drains, dry wells and leaching areas, and the taking of soil samples, surface water samples and ground water samples, as well as such other investigations or analyses as are necessary or appropriate for a complete determination of the compliance of the Premises and the use and operation thereof with all applicable Environmental Laws. All such environmental assessments shall be at the cost and expense of Mortgagor.

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(e) Survival, Assignability and Transferability.

(i) The covenants and indemnity set forth in subparagraphs (b) and (c) of this Paragraph 8 shall survive the payment and performance of the Secured Indebtedness and any exercise by Mortgagee of any remedies under this Mortgage, and shall not merge with any deed given by Mortgagor to Mortgagee in lieu of foreclosure.

(ii) It is agreed and intended by Mortgagor and Mortgagee that the covenants and indemnity set forth above in subparagraphs (b) and (c) of this Paragraph 8 may be assigned or otherwise transferred by Mortgagee to its affiliates or to any holder of the Note, or to such holder's successors and assigns without notice to Mortgagor and without any further consent of Mortgagor. To the extent consent to any such assignment or transfer is required by law, advance consent to any such assignment or transfer is hereby given by Mortgagor in order to maximize the extent and effect of the covenants and indemnity given hereby.

9. Use, Preservation and Maintenance of Premises. Mortgagor shall keep the Premises in good condition and repair and shall not commit waste or permit impairment or deterioration of the Premises, ordinary wear and tear excepted. Other than motor vehicle fuel, oil, kerosene and propane, Mortgagor shall not allow, store, treat or dispose of and Hazardous Materials, nor permit the same to exist or be stored, treated or disposed of, from or upon the Premises except in accordance with all applicable laws. Subject to Paragraph 12 below, Mortgagor shall promptly restore or rebuild any buildings or improvements now or hereafter on the Premises 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 Premises, including all zoning, environmental, disability, health and safety laws and regulations. Mortgagor shall not grant or permit any easements, licenses, covenants or declarations of use against the Premises. Mortgagor shall: (a) suffer or permit no change in the zoning of the Premises or the general nature of the occupancy of the Premises; (b) pay when due all operating costs of the Premises; (c) not do anything whatsoever to depreciate or impair the value of the Premises or the security of this Mortgage; (d) refrain from any action and correct any condition which would increase the risk of fire or other hazard to the Improvements; and (e) cause the Premises to be managed in a competent and professional manner.

10. Protection of Mortgagee's Security. Upon an Event of Default, or if any action or proceeding is threatened or commenced which materially affects Mortgagee's interest in the Premises, then Mortgagee, at Mortgagee's option, upon five (5) days' prior 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 Mortgagee's interest, including (a) making repairs, (b) discharging Prior Encumbrances in full or part, (c) paying, settling, or discharging tax, mechanics' or other liens, to the extent that they are due and payable, (d) procuring insurance in accordance with Paragraph 12, and (e) renting, operating and managing

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the Premises and paying operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises shall be operational and usable for its intended purposes. Mortgagee, in making such payments of Impositions and assessments, may do so in 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 Mortgagee pursuant to this Paragraph 10 shall be a part of the Secured Indebtedness and shall bear interest at the Default Interest Rate. Nothing contained in this Paragraph 10 shall require Mortgagee to incur any expense or take any action hereunder, and inaction by Mortgagee shall never be considered a waiver of any right accruing to Mortgagee on account of this Paragraph 10.

11. Inspection of Premises and Books and Records. Upon reasonable prior notice, Mortgagor shall permit Mortgagee and its representatives and agents to inspect the Premises from time to time during normal business hours and as frequently as Mortgagee requests. Mortgagor shall provide financial information regarding the Premises and its operations upon Mortgagee's request and shall keep and maintain full and correct books and records. From time to time upon not less than three (3) days demand, Mortgagor shall permit Mortgagee or its agents to examine and copy such books and records at Mortgagor's principal office.

12. Insurance. Mortgagor shall insure, or cause to be insured, and keep insured the Premises and the Personal Property against such perils and hazards, and in such amounts and with such limits, as Mortgagee may from time to time require, and, in any event, casualty and liability insurance as customarily maintained by owners of similar types of property in the Chicago metropolitan area.

All insurance shall (i) be in form and content, and shall be carried by companies, approved by Mortgagee, (ii) provide thirty (30) days' advance written notice to Mortgagee before cancellation, material modification or notice of non-renewal, and (iii) provide that no claims shall be paid thereunder without ten (10) days' advance written notice to Mortgagee.

Any notice pertaining to insurance and required pursuant to this Paragraph 12 shall be given in the manner provided in Paragraph 20 below. Originals of all policies and renewals (or certificates evidencing the same), marked "paid," shall be delivered to Mortgagee at least thirty (30) days before the expiration of existing policies. If Mortgagee has not received satisfactory evidence of such renewal or substitute insurance in the time frame herein specified, Mortgagor shall have the right, but not the obligation, upon two (2) business days prior notice to Mortgagor to purchase such insurance for Mortgagee's interest only. Any amounts so disbursed by Mortgagee pursuant to this Paragraph 12 shall be a part of the Secured Indebtedness and shall bear interest at the Default Interest Rate. Nothing contained in this Paragraph 12 shall require Mortgagee to incur any expense or take any action hereunder, and inaction by Mortgagee shall never be considered a waiver of any right accruing to Mortgagee on account of this Paragraph 12.

Mortgagor shall not carry any separate insurance on the Premises concurrent in kind or form with any insurance required hereunder or contributing in the event of loss without Mortgagee's prior written consent, and any such policy shall have attached a standard non-

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contributing mortgagee clause and with loss payable to Mortgagee, and shall meet all other requirements set forth herein. Mortgagor shall give immediate notice of any casualty loss to Mortgagee.

All physical damage policies and renewals shall contain a standard mortgage clause naming the Mortgagee as mortgagee, which clause shall expressly state that any breach of any condition or warranty by Mortgagor in such policies shall not prejudice the rights of Mortgagee under such insurance; and a loss payable clause in favor of Mortgagee for personal property, contents, inventory, equipment, loss of rents and business interruption. All liability policies and renewals shall name the Mortgagee as an additional insured. No additional parties shall appear in the mortgage or loss payable clause. All deductibles shall be in amounts acceptable to Mortgagee. In the event of the foreclosure of this Mortgage or any other transfer of title to the Premises in full or partial satisfaction of the Secured Indebtedness, all right, title and interest of Mortgagor in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee.

At Mortgagee's option and expense, but not more often than annually, Mortgagor shall provide Mortgagee with a report from an independent insurance consultant of regional or national prominence, acceptable to Mortgagee, certifying that Mortgagor's insurance is in compliance with this Paragraph 12.

In case of loss covered by any of such policies, Mortgagee is authorized to adjust, collect and compromise in its discretion all claims in excess of \$100,000.00 thereunder (and any claims for less than that amount which Mortgagor does not diligently pursue) and in such case, Mortgagor covenants to sign upon demand, or Mortgagee may sign or endorse on the Mortgagor's behalf, all necessary proofs of loss, receipts, releases, and other papers required by the insurance companies to be signed by the Mortgagor. Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact for the purposes set forth in the preceding sentence. Mortgagee may deduct from such insurance proceeds any expenses, which are not otherwise recovered by Mortgagee, incurred by Mortgagee in the collection and settlement thereof, including, but not limited to, attorneys' and adjusters' fees and charges.

13. Condemnation. If the Premises or any portion thereof shall be damaged or taken through condemnation (which term, when used in this Mortgage, shall include any damage or taking by any governmental authority, quasi-governmental authority, any party having the power of condemnation, or any transfer by private sale in lieu thereof), either temporarily or permanently, then Mortgagor authorizes Mortgagee, at Mortgagee's option, as attorney in fact for Mortgagor, to commence, appear in and prosecute, in Mortgagee's or Mortgagor's name, any action or proceeding relating to any condemnation or other taking of the Premises and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation, or other taking of the Premises, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned and shall be paid to Mortgagee. Mortgagor authorizes Mortgagee to apply such awards, proceeds or damages, after the deduction of Mortgagee's expenses incurred in the collection of such amounts, at Mortgagee's option, to restoration or repair of the Premises or to payment of a portion of the Secured Indebtedness, whether or not then due, with the balance, if

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any, to Mortgagor. Mortgagor agrees to execute such further assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or injury that Mortgagee may require.

14. Security Agreement. Without limiting any other provisions of this Mortgage, this Mortgage constitutes a Security Agreement under the Code with respect to all fixtures and Personal Property and all replacements and substitutions, now or hereafter located on the Premises as set forth in the description of the Premises above, and with respect to all Awards, and all Funds and other sums which may be deposited with Mortgagee Pursuant hereto (all for the purposes of this paragraph called "Collateral"), and Mortgagor, as debtor, hereby grants to Mortgagee, as secured party, a security interest in such Collateral. All of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Premises. When the Secured Indebtedness shall become due, whether by acceleration or otherwise, Mortgagee shall have all remedies of a secured party under the Code. This Mortgage is intended to be a financing statement with respect to any of the Collateral which constitutes "personal property" or "fixtures" within the meaning of the Code. Mortgagor hereby authorizes Mortgagee to file any financing statements necessary to perfect the security interest in the Collateral created hereby. Any Code requirement for reasonable notice shall be met if such notice is delivered as provided herein at least ten (10) days prior to the time of any sale, disposition, or other event or matter giving rise to the notice (which period of time and method of notice is agreed to be commercially reasonable).

Whenever there exists an Event of Default hereunder, Mortgagor shall, promptly upon request by Mortgagee, assemble the Collateral and make it available to Mortgagee at such place or places, reasonably convenient for both Mortgagee and Mortgagor, as Mortgagee shall designate. Without limiting the foregoing, whenever there exists an Event of Default hereunder, Mortgagee may, with respect to so much of the Collateral as is personal property under applicable law, to the fullest extent permitted by applicable law, without further notice, advertisement, hearing or process of law of any kind, (a) notify any person obligated on the Collateral to perform directly for Mortgagee its obligations thereunder, (b) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto, (c) endorse any checks, drafts or other writings in the name of Mortgagor to allow collection of the Collateral, (d) take control of any proceeds of the Collateral, (e) enter upon any premises where any of the Collateral may be located and take possession of and remove such Collateral, (f) sell any or all of the Collateral, free of all rights and claims of Mortgagor therein and thereto, at any public or private sale, and (g) bid for and purchase any or all of the Collateral at any such sale. Any proceeds of any disposition by Mortgagee of any of the Collateral may be applied by Mortgagee to the payment of expenses in connection with the Collateral, including attorneys' fees and legal expenses, and any balance of such proceeds shall be applied by Mortgagee toward the payment of such of the Secured Indebtedness and in such order of application as Mortgagee may from time to time elect. Mortgagee may exercise from time to time any rights and remedies available to it under the Uniform Commercial Code or other applicable law as in effect from time to time or otherwise available to it under applicable law. Mortgagor hereby constitutes Mortgagee its attorney-in-fact with full power of substitution to take possession of the Collateral upon any

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Default and, as Mortgagee in its sole discretion deems necessary or proper, to execute and deliver all instruments required by Mortgagee to accomplish the disposition of the Collateral; this power of attorney is a power coupled with an interest and is irrevocable while any of the Liabilities are outstanding.

15. Mortgagor Not Released; Forbearance by Mortgagee Not a Waiver; Remedies Cumulative. Any extension or other modification granted by Mortgagee 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 Mortgagee 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 Mortgagee to protect the security of this Mortgage, as authorized by Paragraph 10 or otherwise, shall not be a waiver of Mortgagee'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 Mortgagee to or of any breach or default by Mortgagor shall be deemed a consent or waiver to or of any other breach or default.

16. Prohibitions on Transfer of the Premises or of an Interest in Mortgagor. Unless proceeds of a condemnation have been delivered to Mortgagee as provided in Paragraph 13, it shall be an immediate default if, without the prior written consent of Mortgagee, which consent may be granted or withheld at Mortgagee's sole discretion, Mortgagor shall create, effect or consent to or shall suffer or permit any conveyance, sale (including an installment sale), assignment, transfer, lease, license, lien (except liens being duly contested as permitted by this Mortgage), pledge, hypothecation, mortgage, security interest, or other encumbrance or alienation, whether by operation of law, voluntarily or otherwise (collectively a "Transfer"), of the Premises or any part thereof or interest therein (each of the foregoing is referred to as a "Prohibited Transfer"). In the event of such default, Mortgagee, at its sole option, may declare the entire unpaid balance, including interest, immediately due and payable as provided in Paragraph 17.

17. 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 or to maintain the insurance required by Paragraph 12;

(b) Mortgagor's failure to perform or observe any other covenant, agreement, or other provision contained in the Note, this Mortgage (other than an Event of Default described elsewhere in this Paragraph 17) or any other Loan Document or any breach of any representation or warranty in any Loan Document and such failure or breach continues for a period of five (5) days after the earlier of Mortgagor's becoming aware of such failure or breach or the effective date of

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notice thereof given by Mortgagee to Mortgagor; provided however, that this grace period shall not apply to the other sub-paragraphs of this Paragraph 17;

- (c) A Prohibited Transfer occurs;
- (d) Mortgagor or any guarantor shall (i) file a voluntary petition in bankruptcy, insolvency, debtor relief or for arrangement, reorganization or other relief under the Federal Bankruptcy Code 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 Mortgagor or any guarantor's or for any part of the Premises or any substantial part of Mortgagor's or any guarantor's other property, (iii) make any assignment for the benefit of any of their creditors, (iv) fail generally to pay their respective debts as they become due, or (v) a court having jurisdiction shall enter a decree or order for relief in respect of Mortgagor, or any guarantor in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law which decree or order is not dismissed within thirty (30) days;
- (e) All or a substantial part of the assets of Mortgagor or any guarantor are attached, seized, subjected to a writ or distress warrant, or are levied upon;
- (f) (i) The dissolution or termination of existence of Mortgagor or any guarantor, (ii) the amendment or modification in any respect of Mortgagor's or any guarantor's organizational documents that would materially and adversely affect Mortgagor's performance of its obligations under this Mortgage or the other Loan Documents or or any guarantor's performance of its guaranty of the Note, or (iii) any guarantor's death or incapacity;
- (g) This Mortgage shall not constitute a valid first lien on and security interest in the Premises (subject only to the Permitted Encumbrances), or if such lien and security interest shall not be perfected;
- (h) The business of Mortgagor conducted on the Premises is terminated or voluntarily suspended or the Premises are abandoned, other than suspension of business for not longer than thirty (30) consecutive days for purposes of renovation of the Premises;
- (i) An indictment or other charge is filed against Mortgagor, or any guarantor, in any jurisdiction, under any federal or state law, for which forfeiture of the Premises or of any other funds, property or other assets of Mortgagor or any guarantor or Mortgagee is a potential penalty;
- (j) Mortgagor or any guarantor shall fail to pay at maturity, or within any applicable period of grace, any obligation for borrowed money or credit received in an amount equal to or greater than \$100,000.00 or fail to observe or perform any term, covenant or agreement contained in any agreement by which it

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is bound, evidencing or securing borrowed money or credit received in an amount equal to or greater than \$100,000.00 for such period of time as would permit (assuming the giving of appropriate notice is required) the holder or holders thereof or of any obligations issued thereunder to accelerate the maturity thereof;

(k) There shall remain in force, undischarged, unsatisfied and unstayed, for more than thirty (30) days, whether or not consecutive, any uninsured final judgment against Mortgagor or any guarantor that, with other outstanding uninsured final judgments, undischarged, against Mortgagor or any guarantor exceeds in the aggregate \$100,000.00;

(l) Any suit or proceeding shall be filed against Mortgagor or the Premises or any guarantor which in the good faith business judgment of Mortgagee based on the information available to Mortgagee, if adversely determined, would have a materially adverse affect on the ability of Mortgagor to perform each and every one of its obligations under and by virtue of this Mortgage and the other loan Documents;

(m) Any of the Loan Documents shall be canceled, terminated, revoked or rescinded otherwise than in accordance with the terms thereof or as permitted by this Mortgage or with the express prior written agreement, consent or approval of Mortgagee, or any action at law, suit or in equity or other legal proceeding to cancel, terminate, revoke or rescind any of the Loan Documents shall be commenced by or on behalf of Mortgagor, or any court or competent jurisdiction shall make a determination that, or issue a judgment, order, decree or ruling to the effect that, any one or more of the Loan Documents is illegal, invalid or unenforceable in accordance with the terms thereof, or

(n) The occurrence of any "Event of Default" or "Default" under and as defined in any of the Loan Documents.

18. ACCELERATION; REMEDIES. AT ANY TIME AFTER AN EVENT OF DEFAULT, MORTGAGEE, AT MORTGAGEE'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. MORTGAGEE SHALL BE ENTITLED TO COLLECT IN SUCH PROCEEDING ALL EXPENSES OF FORECLOSURE, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COSTS INCLUDING TITLE REPORTS AND APPRAISALS, 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 PREMISES SHALL BE APPLIED AS FOLLOWS: FIRST, TO ALL COSTS, EXPENSES AND FEES INCIDENT TO THE FORECLOSURE PROCEEDINGS; SECOND, AS SET FORTH IN PARAGRAPH 3 OF THIS MORTGAGE; AND THIRD, ANY BALANCE TO MORTGAGOR OR AS A COURT MAY DIRECT.

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19. Appointment of Receiver. Upon acceleration under Paragraph 18, and without further notice to Mortgagor, Mortgagee shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Premises and to collect the Rents from the Premises 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 Premises and collection of Rents including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then as provided in Paragraph 3. The receiver shall be liable to account only for those Rents actually received.

20. Indemnification. Mortgagor agrees to indemnify, defend and hold harmless Mortgagee and each of its directors, officers, partners, affiliates, employees, agents and attorneys from and against any and all claims, actions and suits whether groundless or otherwise, and from and against any and all liabilities, losses, damages and expenses of every nature and character arising out of this Agreement or other Loan Documents or the transactions contemplated hereby including, without limitation, (a) any condition of the Premises arising from any event or happening occurring from and after the acquisition of the Premises by Mortgagor, (b) Mortgagor entering into or performing this Agreement or the other Loan Documents, or Mortgagor failing to perform any of its obligations under this Agreement or the other Loan Documents, or (c) any actual or alleged violation of any law, ordinance, code, order, rule, regulation, approval, consent, permit or license relating to the Premises, in each case including, without limitation, reasonable fees and disbursements of attorneys and allocated costs of internal counsel incurred in connection with any such investigation, litigation or other proceeding. In litigation, or the preparation therefor, Mortgagee shall be entitled to select its own counsel and, in addition to the foregoing indemnity, Mortgagor agrees to pay promptly the reasonable fees and expenses of such counsel. If, and to the extent that the obligations of Mortgagor under this Section 20 are unenforceable for any reason, Mortgagor hereby agrees to such obligations which are permissible under applicable law. The provisions of this Paragraph 20 shall survive the repayment and performance of the Secured Indebtedness.

21. 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 Mortgagee and Mortgagor.

22. 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 Mortgagor or any guarantor which exceeded permitted limits ("Excess Loan Charges") will, at Mortgagee's option, either be refunded or applied as a credit against the then outstanding principal balance or accrued and 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

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guarantor or obligor on the Note shall have any action against Mortgagee for any damages whatsoever arising from the payment of Excess Loan Charges.

23. Legislation Affecting Mortgagees' 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, Mortgagee, at its option and upon fifteen (15) days prior written notice, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by Paragraph 18.

24. Notice. Any notice that Mortgagee or Mortgagor may desire or be required to give to the other shall be in writing and shall be mailed or delivered to the intended recipient at its address set forth above. Except for any notice required under applicable law to be given in another manner, any notices required or given under this Mortgage shall be in writing and shall be deemed to have been properly given, served and received (a) if delivered by messenger, when delivered, (b) if mailed in the United States mail, certified or registered, postage prepaid, return receipt requested, on the third business day after deposit in the mail, (c) if telexed, telegraphed or telecopied, six (6) hours after being dispatched by telex, telegram or telecopy, if such sixth hour falls on a business day within the hours of 8:00 a.m. through 5:00 p.m. of the time in effect at the place of receipt, or at 8:00 a.m. on the next business day thereafter if such sixth hour is later than 5:00 p.m., or (d) if delivered by reputable overnight express courier, freight prepaid, the next business day after delivery to such courier. Any party hereto may change the address to which notices are given by notice as provided herein.

25. Governing Law; Severability. The laws of the State of Illinois shall govern the interpretation and enforcement of this Mortgage. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. If any provision or clause of this Mortgage, or the application thereof, is adjudicated to be invalid or unenforceable, the validity or enforceability of the remainder of this Mortgage shall be construed without reference to the invalid or unenforceable provision or clause.

26. Release. Upon payment and performance of all Secured Indebtedness, Mortgagee shall release this Mortgage.

27. Waivers. Mortgagor agrees to the full extent permitted by law, that in case of an Event of Default hereunder, neither Mortgagor nor anyone claiming through or under Mortgagor shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension, homestead, exemption or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the Premises, or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser thereat, and Mortgagor, for Mortgagor and all who may at any time claim through or under Mortgagor, hereby waives to the fullest extent that Mortgagor may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprised in the security intended to be created hereby marshalled upon any foreclosure of the lien hereof. No delay or omission of Mortgagee or of any holder of the Note to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or

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shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any Event of Default shall be deemed or construed to be a consent or waiver to or of any other Event of Default. Failure on the part of Mortgagee to complain of any act or failure to act which constitutes an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of Mortgagee's rights hereunder or impair any rights, powers or remedies consequent on any Event of Default. No act or omission of Mortgagee shall preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in the event of any Event of Default then made or of any subsequent Event of Default; nor, except as otherwise expressly provided in an instrument or instruments, executed by Mortgagee, shall the lien of this Mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Premises, Mortgagee, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Premises or the Secured Indebtedness or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any liabilities, obligations or undertakings (including, without limitation, the restrictions upon transfer contained in Paragraph 16). Mortgagor covenants and agrees that, upon the commencement of a voluntary or involuntary bankruptcy proceeding by or against Mortgagor, Mortgagor shall not seek a supplemental stay or other relief, whether injunctive or otherwise, pursuant to 11 U.S.C. § 105 or any other provision of the Bankruptcy Reform Act of 1978, as amended, or any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, to stay, interdict, condition, reduce or inhibit the ability of Mortgagee to enforce any rights of Mortgagee with respect to the Secured Indebtedness.

28. Business Loan. Mortgagor hereby represents and warrants that the loan evidenced by the Notes constitutes a loan described in 815 ILCS 205/4(1)(a) and (1).

29. Interpretation. 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.

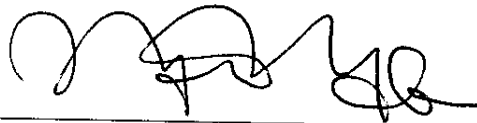
30. Compliance with Illinois Mortgage Foreclosure Law. If any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (the "Act") the provisions of the Act shall take precedence over the Mortgage provisions, but shall not invalidate or render unenforceable any other Mortgage provision that can be construed in a manner consistent with the Act. If any Mortgage provision shall grant to Mortgagee any rights or remedies upon Mortgagor's default which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of such provision, Mortgagee shall be

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CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage.

455 w north avenue llc

By: 

~~Jon Goldman~~, Member, *E MANAGER*
M. CHAIK MISNA

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STATE OF ILLINOIS)
)
 COUNTY OF COOK) SS.

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that the above named Michael Mlsna, an authorized member of 455 W North Ave llc and Michael Mlsna as an individual , personally known to me to be the same person whose name is subscribed to the foregoing instrument as such member, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said limited liability company for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 15th day of ~~June~~^{MARCH}, 2005.



Kate Ryan
 Notary Public

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EXHIBIT A

LEGAL DESCRIPTION

LOTS 29 AND 30 IN BLOCK 2 IN MARK SKINNER'S SUBDIVISION OF BLOCKS 2 AND 3 AND THE WEST 33.00 FEET OF BLOCK 1 OF STATE BANK OF ILLINOIS SUBDIVISION OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Street Address of Property: 455 WEST NORTH AVE. CHICAGO, IL 60614

Permanent Index Number: 17-04-110-045-0000

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