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Doc#: 0723940074 Fee: \$70.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
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This Document Prepared By
and upon recording return to:
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Post Office Box 368
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INDENTURE OF MORTGAGE
SECURITY AGREEMENT AND FIXTURE FILING
(ILLINOIS)

THIS INDENTURE OF MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING (hereinafter the "Mortgage"), made this 2nd day of August, 2007, by Remington Road Properties L.L.C., (hereinafter designated as the "Mortgagor") having an address and principal place of business at c/o Korman/Lederer & Associates, 3100 Dunder Road, Suite 116, Northbrook, IL 60062, and American United Life Insurance Company, an Indiana corporation, having its principal offices at Indianapolis, Indiana and an address at One American Square, Post Office Box 368, Indianapolis, Indiana 46206-0368 (hereinafter designated as the "Mortgagee").

WITNESSETH:

WHEREAS, the Mortgagor is justly indebted to the Mortgagee in the principal sum of One Million Three Hundred Seventy-five Thousand and no/100 Dollars (\$1,375,000.00) as evidenced by one certain promissory note of the Mortgagor of even date herewith, made payable to the order of and delivered to the Mortgagee, in and by which said note (hereinafter called the "Note") the Mortgagor promises to pay the said principal sum and interest at the rate or rates and in installments as provided therein, the final installment of which, if not sooner paid, is due and payable on the first day of September, 2017; all such installment payments are to be first applied to interest on the unpaid principal balance of said indebtedness and the remainder to principal and all of said principal and interest are made payable at such place as the holder of the Note may, from time to time in writing designate, and in the absence of such designation, then at the principal offices of the Mortgagee in

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Indianapolis, Indiana. Interest on the unpaid principal of the Note, after maturity, is payable at the rate of Nine and 93/100 percent (9.93%) per annum (hereinafter the "Default Rate").

WHEREAS, the indebtedness secured by this Mortgage includes, without limitation, the indebtedness evidenced by the Note, including the principal thereof and interest and premium, if any, thereon, and any extensions and renewals thereof, in whole or in part, and any and all other sums which may be at any time due or owing or required to be paid as provided in this Mortgage or in the Note or in any other document securing the Note; all of which indebtedness is hereinafter referred to collectively as the "Indebtedness Hereby Secured."

NOW THEREFORE, to secure the payment of the Indebtedness Hereby Secured in accordance with the terms, provisions and limitations of this Mortgage and of the Note secured hereby, and the performance of the covenants and agreements contained herein and in the Note and any other document securing the Note by the Mortgagor to be performed, and also in consideration of the sum of ONE AND NO/100 (\$1.00) DOLLARS in hand paid by the Mortgagee to the Mortgagor, and for other good and valuable considerations, the receipt and sufficiency of all of which is hereby acknowledged by the Mortgagor, the Mortgagor does by these presents MORTGAGE, GRANT, REMISE, RELEASE, ALIEN, WARRANT AND CONVEY unto the Mortgagee, its successors and assigns forever, all the tract or parcel of land (hereinafter called "Land") and real estate situated in the City of Schaumburg, County of Cook, State of Illinois, described as follows, to-wit:

PARCEL 1:

LOT 1 IN THE PLAT OF RESUBDIVISION OF LOT 2 (EXCEPT THE NORTH 68.89 FEET THEREOF, AS MEASURED AT RIGHT ANGLES TO THE NORTH LINE THEREOF) IN THE RESUBDIVISION OF PART OF OUT-LOT "D" IN SCHAUMBURG INDUSTRIAL PARK AS RECORDED JUNE 10, 1969 UNDER DOCUMENT NUMBER 20866510 AND FILED WITH THE REGISTRAR OF DEEDS UNDER TORRENS REGISTRATION NUMBER 2455597, BEING A SUBDIVISION OF THE SOUTH EAST 1/4 OF SECTION 11, THE NORTHEAST 1/4 OF SECTION 11, PART OF THE SOUTHWEST 1/4 OF SECTION 12, PART OF THE NORTHWEST 1/4 OF SECTION 13, AND PART OF THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID RESUBDIVISION REGISTERED IN THE OFFICE OF THE REGISTRAR OF TITLES OF COOK COUNTY, ILLINOIS ON FEBRUARY 27, 1978 AS DOCUMENT NUMBER 3001374 IN COOK COUNTY, ILLINOIS.

07-11-400-049

PARCEL 2:

LOT 2 IN THE PLAT OF RESUBIVISION OF LOT 2 (EXCEPT THE NORTH 68.69 FEET THEREOF, AS MEASURED AT RIGHT ANGELS TO THE NORTH LINE THEREOF) IN THE RESUBDIVISION OF PART OF OUT-LOT "D" IN SCHAUMBURG INDUSTRIAL PARK AS RECORDED JUNE 10, 1969 UNDER DOCUMENT NUMBER 20866510 AND FILED WITH THE REGISTRAR OF DEEDS UNDER TORRENS REGISTRATION NUMBER 2455597, BEING

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A SUBDIVISION OF THE SOUTH EAST 1/4 OF SECTION 11 THE NORTHEAST 1/4 OF SECTION 11 PART OF THE SOUTHWEST 1/4 OF SECTION 12, PART OF THE NORTHWEST 14/ OF SECTION 13 AND PART OF THE NORTHEAST 1/4 OF SECTION 14, TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID RESUBDIVISION REGISTERED IN THE OFFICE OF THE REGISTRAR OF TITLES OF COOK COUNTY, ILLINOIS ON FEBRUARY 27, 1978 AS DOCUMENT NUMBER 3001374 IN COOK COUNTY, ILLINOIS.

07-11-400-050

PARCEL 3:

INGRESS AND EGRESS EASEMENT FOR THE BENEFIT OF PARCELS 1 AND 2 AS CREATED BY PLAT OF SUBDIVISION RECORDED FEBRUARY 27, 1978 AS DOCUMENT 3001374.

TOGETHER WITH (i) all the buildings, structures and other improvements now or hereafter on the Land and all lighting, heating, ventilating, air conditioning, sprinkling and plumbing fixtures, water rights, water and power systems, engines and machinery, boilers, furnaces, oil burners, elevators and motors, communication systems, dynamos, transformers, electrical equipment, and all other fixtures and property of every description now or hereafter found or used upon or appurtenant to the Land, buildings and improvements. It being understood that the enumeration of any specific articles of property shall in no way exclude or be held to exclude any items of property not specifically mentioned; however, trade fixtures and other chattels and property of any tenant (as contrasted with fixtures necessary for the use and operation of the improvements) now or hereafter installed are not intended to be included in this conveyance unless abandoned, (ii) all tenements, hereditaments, easements, rights and appurtenances thereunto belonging or in any way appertaining, and the rents, issues and profits thereof (which are pledged primarily and on a parity with said real estate and not secondarily), subject, however, to the right, power and authority hereinafter given to and conferred upon the Mortgagee, to collect and apply such rents, issues and profits and (iii) the land lying in the streets in front of and adjoining the Land and the easements appurtenant to the ownership of the Land to the center line of said streets; all of which foregoing Land, real estate and property, whether affixed or annexed or not, is hereinafter referred to collectively as the "Mortgaged Property" and shall, for the purposes of this Mortgage, be deemed conclusively to be real property and mortgaged hereby.

TO HAVE AND TO HOLD the Mortgaged Property unto the Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois which said rights and benefits the Mortgagor does hereby expressly release and waive.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Payment of Indebtedness. The Mortgagor will duly and punctually pay the Indebtedness Hereby Secured in accordance with the terms of the Note and this Mortgage and any other document

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securing the Note. The provisions of the Note are hereby incorporated by reference into this Mortgage, as fully as if set forth at length herein.

2. Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, etc. The Mortgagor will (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Land which may become damaged or be destroyed; (b) keep the Mortgaged Property in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for lien not expressly subordinated to the lien hereof; (c) pay when due any indebtedness which may be secured by a lien or charge on the Mortgaged Property superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to the Mortgagee; (d) complete within a reasonable time any building or buildings now or at any time in process of erection upon the Land; (e) suffer or permit no change in the general nature of the occupancy of the Mortgaged Property without the written consent of the Mortgagee; (f) initiate or acquiesce in no zoning reclassification without the written consent of the Mortgagee; and (g) make no alterations or improvements in the Mortgaged Property except such as may be required by law or municipal ordinance.

3. Payment of Charges Against the Mortgaged Property and Contest Thereof. The Mortgagor will pay, before a fine or penalty might attach for nonpayment thereof, all taxes, assessments, water charges, sewer charges and all other charges and impositions whatsoever levied upon or assessed, placed or made against the Mortgaged Property, it being understood, however, that assessments may be paid in installments so long as no fine or penalty is added to any installment for the nonpayment thereof. The Mortgagor will furnish to the Mortgagee within thirty (30) days after their respective due dates, copies of official receipts or other proof of payment satisfactory to the Mortgagee of all such taxes, assessments and other charges and impositions. The Mortgagor likewise will pay all taxes, assessments and other charges and impositions levied upon or assessed, placed or made against, or measured by, this Mortgage, or the recordation hereof, or the Note, or the Indebtedness Hereby Secured.

The Mortgagor shall not be required to pay any tax, assessment or other charge or imposition referred to above, so long as the Mortgagor (1) shall contest, in good faith, the existence, amount or the validity thereof, the amount of damages caused thereby or the extent of its liability therefor, by appropriate proceedings which shall operate during the pendency thereof to prevent (i) the collection of, or other realization upon, the tax, assessment or charge or imposition so contested, (ii) the sale, forfeiture or loss of the Mortgaged Property or any part thereof, and (iii) any interference with the use or occupancy of the Mortgaged Property or any part thereof, and (2) shall give such reasonable security to the Mortgagee as may be demanded by the Mortgagee to insure compliance with the foregoing provisions of this paragraph.

The Mortgagor shall make monthly deposits with Mortgagee, in a non-interest bearing account, together with and in addition to interest and principal, in amounts determined by Mortgagee to be sufficient to accumulate in such account adequate funds to pay taxes and assessments levied against the Mortgaged Property at least sixty (60) days prior to their respective due dates. The

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amount of such taxes, assessments, and impositions when unknown, shall be reasonably estimated by Mortgagee. Such deposits shall be used by Mortgagee to pay such taxes and assessments when due. Any insufficiency of such account to pay such charges when due shall be paid by Mortgagor to Mortgagee on demand. If, by reason of any default by Mortgagor under any provision of this Mortgage, Mortgagee declares the Indebtedness Hereby Secured to be due and payable, Mortgagee may then apply any funds in said account against the Indebtedness Hereby Secured. The enforceability of the covenants relating to taxes, assessments, and impositions herein otherwise provided shall not be affected except insofar as those obligations have been met by compliance with this paragraph. Mortgagee may from time to time, at its option, waive, and after any such waiver reinstate any or all provisions hereof requiring such deposits, by notice to Mortgagor in writing. While any such waiver is in effect, Mortgagor shall pay taxes and assessments as herein elsewhere provided.

4. Insurance, Application of Proceeds, etc. The Mortgagor will keep all buildings and improvements now or hereafter on the Land insured under prepaid all risk or special form property insurance policies (or, if such coverage is not then available, such other substantially equivalent coverage as is then available) including replacement cost endorsements, and such other policies as are necessary to insure against loss or damage by fire, tornado, hurricane, earthquake (which shall be waived if the Mortgaged Property is not located in seismic zones 3 or 4), flood (which shall be waived if the Mortgaged Property is not located in a flood plain), terrorism, sprinklers, and the perils insured against by extended coverage, vandalism and malicious mischief endorsements, and such other hazards as may reasonably be required by the Mortgagee, in amounts sufficient to prevent any insured from becoming a co-insurer of a partial loss thereunder, but in any event not less than one hundred percent (100%) of full replacement value of the improvements. The Mortgagor shall also provide boiler insurance covering the replacement or repair value of the boiler (if the building has a boiler), business interruption insurance coverage, extra expense, rent loss or rental value insurance providing for payment of rent from the Mortgaged Property in the event of casualty for a period of not less than twelve (12) months at one hundred percent (100%) occupancy following the date of such casualty "Ordinance or Law" coverage and such other insurance as may be required by terms of any of the Leases or as reasonably required by Mortgagee. All policies of insurance to be furnished hereunder shall include a waiver of subrogation clause, shall be in amounts, forms and companies satisfactory to the Mortgagee and shall have incorporated therein the standard form of mortgagee clause, without contribution, in favor of and in form satisfactory to the Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without at least thirty (30) days prior written notice to the Mortgagee. The Mortgagor shall deliver all policies or duplicates, (or the underlying policies in the case of blanket insurance) to the Mortgagee with premiums paid. Mortgagor hereby assigns to Mortgagee all of its rights under such policies of insurance, including return of premium. In the case of insurance about to expire, the Mortgagor shall deliver renewal policies and receipts showing payment of premiums not less than thirty (30) days prior to their respective dates of expiration and, in default thereof, the Mortgagee may procure such insurance as it may elect and may make payment of premiums thereon, which payment shall be repayable immediately upon demand and shall be added to and become part of the Indebtedness Hereby Secured. In no event and whether or not default hereunder has occurred shall the Mortgagee, by the fact of approving, accepting or obtaining such insurance, incur any

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liability for the amount of such insurance, the form or legal sufficiency of insurance contracts, solvency of insurers, or payment of losses by insurers, and the Mortgagor hereby expressly assumes full responsibility therefor and liability, if any, thereunder. In the event of foreclosure of this Mortgage or other transfer of title to the Mortgaged Property in extinguishment of the Indebtedness Hereby Secured, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

The Mortgagor will also provide the Mortgagee with evidence of commercial general liability insurance coverage in insurance companies satisfactory to the Mortgagee in amounts of not less than \$1,000,000 for any one occurrence and \$2,000,000 in the aggregate. In addition, the Mortgagor will maintain in force an excess liability or umbrella policy in the amount of One Million Dollars (\$1,000,000) and for properties upon which liquor is sold, a liquor liability endorsement is required. Certificates of such coverage shall be furnished to the Mortgagee at least thirty (30) days prior to the expiration date of any policy. If such insurance required by any lease of the Mortgaged Property is greater than the foregoing, the requirements of such lease will control.

The Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless the Mortgagee is included thereon under a standard mortgagee clause acceptable to the Mortgagee. The Mortgagor shall immediately notify the Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to the Mortgagee the policy or policies of such insurance.

The Mortgagor will give the Mortgagee prompt notice of damage to or destruction of any of any improvement on the Land and in case of loss covered by policies of insurance, the Mortgagee is hereby authorized to make proof of loss if not made promptly by the Mortgagor or a lessee in the Leases. The proceeds of all such insurance policies are hereby assigned to, and shall be paid to, Mortgagee. Any expenses incurred by the Mortgagee in the collection of insurance proceeds, together with interest thereon from date of any such expense at the rate of interest specified in the Note per annum (or at such lesser rate of interest as may be the maximum not prohibited by applicable law), shall be added to and become part of the Indebtedness Hereby Secured and shall be reimbursed to the Mortgagee immediately upon demand. The net proceeds of any insurance required under this Mortgage may be applied by the Mortgagee, in its sole discretion, upon or in reduction of the Indebtedness Hereby Secured then most remotely to be paid, without prepayment premium, or to the cost of rebuilding or restoration of the improvements, provided, however, if the Mortgagee shall require that the improvements be repaired or rebuilt in accordance with subparagraph (a) of Section 2 of this Mortgage, such net proceeds of insurance shall be made available therefor under the conditions and in the manner specified in the next following paragraph. Furthermore, if the net proceeds of any insurance are under One Hundred Thousand Dollars (\$100,000) such proceeds will automatically be made available for the cost of rebuilding or restoration of the improvements.

Insurance proceeds made available for restoration, repair, replacement or rebuilding of the improvements shall be disbursed from time to time (provided no default exists in the Note or this Mortgage or the Assignment of Leases or any other document securing the Note at the time of each such disbursement), after first deducting the expense of such disbursement including, without

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limitation, reasonable attorneys fees, costs of title insurance, escrows and closings by the title company or otherwise and fees and expenses of the disbursing party, upon the disbursing party being furnished with satisfactory evidence of the cost of completion of such work and of the diligent and timely prosecution thereof and with architect's certificates, waivers of lien, contractors and subcontractors' sworn statements and other evidence of cost and payments so that the disbursing party can verify that the amounts disbursed from time to time are represented by completed and in place work and that said work is free and clear of mechanics lien claims. No payment made prior to the final completion of any such restoration, repair, replacement or rebuilding shall exceed ninety percent (90%) of the value of the work performed from time to time and at all times the undisbursed balance of such proceeds remaining in the hands of the disbursing party together with funds deposited for the purpose or irrevocably committed for such purpose, shall be sufficient, in the reasonable judgment of the Mortgagee, to pay for the cost of completion of all such restoration, repair, replacement or rebuilding. The Mortgagee may require that plans and specifications for such restoration, repair, replacement or rebuilding be submitted to and reasonably approved by the Mortgagee prior to the commencement of the work. Any surplus which may remain out of said insurance proceeds after payment of costs of building and restoration may, at the option of the Mortgagee, be applied either on account of the Indebtedness Hereby Secured then most remotely to be paid, without prepayment premium, or be paid to any person or persons entitled thereto. Application or release of proceeds under the provisions hereof shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. No interest shall be allowed on account of any such proceeds or other funds held in the hands of the Mortgagee or the disbursing party hereunder.

The Mortgagor shall make monthly deposits with Mortgagee, in a non-interest bearing account, together with and in addition to interest and principal, in amounts determined by Mortgagee to be sufficient to accumulate in such account, at least sixty (60) days prior to their due dates, adequate funds to pay the annual insurance premiums necessary to keep the insurance required herein in force. The amount of such premiums, when unknown, shall be estimated by Mortgagee. Such deposits shall be used by Mortgagee to pay such premiums when due. Any insufficiency of such account to pay such charges when due shall be paid by Mortgagor to Mortgagee on demand. If, by reason of any default by Mortgagor under any provision of this Mortgage, Mortgagee declares the Indebtedness Hereby Secured to be due and payable, Mortgagee may then apply any funds in said account against the Indebtedness Hereby Secured. The enforceability of the covenants relating to insurance premiums herein otherwise provided shall not be affected except insofar as those obligations have been met by compliance with this paragraph. Mortgagee may from time to time, at its option, waive and after any such waiver reinstate, any or all provisions hereof requiring such deposits, by notice to Mortgagor in writing. While any such waiver is in effect, Mortgagor shall pay insurance premiums as herein elsewhere provided.

5. Mortgagee's Performance of Defaulted Acts. In case of the occurrence of an Event of Default herein, the Mortgagee may, but need not, make any payment or perform any act herein required of the Mortgagor in any form and manner deemed expedient, including, without restriction, payment of installments of taxes, assessments and other governmental charges and impositions,

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payment of costs of repair and maintenance and payment of insurance premiums, and may, but need not, make full or partial payments of principal or interest on prior liens and encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax or assessment or cure any default of lessor in any lease of the Mortgaged Property. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other monies advanced by the Mortgagee in regard to any stamp tax or to protect the Mortgaged Property and the lien hereof, together with interest thereon from date of any such payment at the Default Rate (or at such lesser rate of interest as may be the maximum not prohibited by applicable law), shall be added to and become part of the Indebtedness Hereby Secured and shall become immediately due and payable on demand. Inaction of the Mortgagee shall never be considered as a waiver of any right accruing to it on account of the occurrence of any default on the part of the Mortgagor. Performance by the Mortgagee of the obligations of the Mortgagor hereunder shall not be deemed to relieve the Mortgagor from any default hereunder. The Mortgagee in making any payment hereby authorized (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

6. Condemnation. Mortgagor shall promptly deliver to Mortgagee written notice of the actual or threatened commencement of any condemnation or eminent domain proceeding and shall deliver to Mortgagee copies of any and all papers served in connection with such proceedings. Any award of damages in connection with any condemnation (or sale in lieu thereof) for public use of or injury to the Mortgaged Property, or any part thereof, or any compensation, awards, other payments or relief due to damage to the Mortgaged Property in any manner, is hereby assigned and shall be paid to the Mortgagee, the Mortgagee being hereby authorized to collect and receive such payments from the seller or condemning authorities and give proper receipts and acquittances therefor. The proceeds of any such award, compensation, or the like shall be applied, at the option of the Mortgagee, to reduction, without prepayment premium, of the Indebtedness Hereby Secured, whether due or not, in such order as the Mortgagee may determine, or paid over to the Mortgagor or other person or persons entitled thereto. Application or release of the proceeds, or any part thereof, under this section shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

7. Rents and Leases. As additional security for payment of the Indebtedness Hereby Secured and for the faithful performance of the terms and conditions contained herein and in the Note and any other document securing the Note, the Mortgagor does hereby absolutely and unconditionally assign and set over unto the Mortgagee all rents, issues, and profits from the Mortgaged Property hereafter accruing. In furtherance hereof, the Mortgagor has separately assigned to the Mortgagee all right, title and interest of the Mortgagor in all leases of the Mortgaged Property now or hereafter existing (collectively the "Leases") by an assignment of even date herewith (in this Mortgage called the "Assignment of Leases") recorded in the Office of the Recorder of Cook County, Illinois to which reference is made for the terms thereof, all of which are incorporated herein. The Assignment

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of Leases includes, without limitation, the reversionary interest of the Mortgagor and the benefit of all covenants in the Leases binding on each lessee and necessary or convenient for the enforcement of the interests of the Mortgagee and the Mortgagor gives to and confers upon the Mortgagee the right, power and authority during the continuance of this Mortgage to collect the rents, income, issues, and profits of the Mortgaged Property, including any purchase proceeds. The Mortgagor will observe and perform all promises, conditions and agreements on the part of the Mortgagor to be performed in the Assignment of Leases and agrees that any sums advanced by the Mortgagee for the purposes specified in the Assignment of Leases, together with interest thereon from date of any such advancement at the Default Rate (or at such lesser rate of interest as may be the maximum not prohibited by applicable law), shall be due and payable immediately on demand and shall be added to and become part of the Indebtedness Hereby Secured. Unless the Mortgagee shall otherwise consent in writing, the Mortgagor (i) will not accept rent in advance under any of the Leases excepting only monthly rents for current months which may be paid in advance; (ii) will observe and perform all promises, conditions and agreements on the part of the Mortgagor to be performed in the Leases; and (iii) will subordinate the Leases to this Mortgage. The Mortgagor represents and warrants that there are no assignments of leases or assignments of rents involving the Mortgaged Property other than that above described; that rent under the Leases has not been paid in advance of the date it became due thereunder; and that the Leases have been subordinated to this Mortgage.

During the term of this Mortgage, all leases of all or any portion of the Mortgaged Property, and any modifications, extensions and renewals thereof, shall be subject to the prior written approval of Mortgagee; provided, however, that Mortgagor may enter into leases of the Mortgaged Property without the prior written consent of Mortgagee, provided that each such lease: (i) is on a gross rental bases except for structural repairs at annual gross rentals of not less than Six and 99/100 Dollars (\$6.99) per net rentable square foot with other terms comparable to existing local market terms as of the date of execution thereof, (ii) is an arm's-length transaction with a bona fide independent third party tenant, (iii) is subject and subordinate to this Mortgage and the lessee thereunder agrees to attorn to Mortgagee, (iv) is written on a standard form approved in advance by Mortgagee, (v) does not cover more than forty-four percent (44%) of the leaseable area of the building(s) located on the Mortgaged Property, (vi) contains provisions that require each tenant to contribute its pro rata share of operating expenses and real estate taxes in excess of Two and 90/100 Dollars (\$2.90) per net rentable square foot per year; and (vii) has a minimum initial term of three (3) years.

8. Miscellaneous Covenants of the Mortgagor. Except as may be hereinafter provided: (i) Mortgagor (including any or all partners, members, stockholders and holders of beneficial interests) will not sell, cease to own, transfer or dispose of the Mortgaged Property, or any interest therein or any part thereof, or in Mortgagor, without the prior written consent of Mortgagee; (ii) Mortgagor will not, without prior written consent of Mortgagee, make the Mortgaged Property, or allow the Mortgaged Property to be made, subject to any lien or security interest, except the lien of this Mortgage, which is not removed or bonded-over to Mortgagee's satisfaction, within thirty (30) days of the date such lien or security interest comes into existence. (If bonded-over, any such lien or security interest must be removed within not more than one hundred eighty (180) days of the date it attaches.); (iii) Mortgagor will annually furnish to Mortgagee, within ninety (90) days after the end of each fiscal year of Mortgagor, copies of current and complete unaudited financial statements on

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Mortgagor, on the members of Mortgagor, on any guarantor(s) that executed guaranty(s) in connection herewith, and full unaudited financial statements (balance sheet and operating statement) on the operations of the Mortgaged Property, all in reasonable detail and in form acceptable to Mortgagee, with statements on the Mortgaged Property to be prepared and certified by Mortgagor; (iv) Mortgagor will annually furnish to Mortgagee, within ninety (90) days of the end of each fiscal year, a current rent roll of the Mortgaged Property, certified by Mortgagor, which rent roll shall include each tenant's name, lease execution and commencement date, lease termination date, square footage leased, effective annual rent (fixed, percentage and reimbursements), rent per square foot, unit number, date rent paid through, name of any lease guarantor, all special rent items, options to purchase, extend, renew or terminate, any unextinguished free rentals or concessions to tenant, and any obligations of tenants assumed by Mortgagor; and (v) Mortgagor shall not change its principal place of business, the location of its chief executive office, its name, its identity or its structure without notifying Mortgagee of such change in writing at least thirty (30) days prior to the effective date of such change and, in the case of a change in Mortgagee's structure, without first obtaining the prior written consent of Mortgagee.

The Mortgagor named herein (but not a subsequent owner of the Mortgaged Property) shall have a one-time right, during the term of this Mortgage, to sell or transfer its entire ownership interest in the Mortgaged Property, without any changes to the terms and conditions hereof or to the Note or the Assignment of Leases, provided that (a) the transferee (hereinafter the "Transferee") is a single asset entity and its principals are acceptable to Mortgagee in its sole discretion in terms of financial strength and creditworthiness; (b) at the time of transfer of the Mortgaged Property the key owners of the Transferee have a collective net worth exceeding Three Million Dollars (\$3,000,000), exclusive of the Mortgaged Property, as evidenced by financial statements acceptable to Mortgagee; (c) the Transferee (or its principals) has had at least five (5) years of experience owning and/or managing industrial properties similar to the Mortgaged Property; (d) the Transferee agrees to assume all of the duties and obligations of the Mortgagor under the Loan Documents (as hereinafter defined) pursuant to documentation satisfactory to Mortgagee; (e) the Transferee and Mortgagor agree to execute and deliver to Mortgagee such documents regarding the transfer and assumption as Mortgagee may require, including, but not limited to, a recordable assumption agreement and acceptable endorsements to Mortgagee's title insurance policy and an opinion of Mortgagor's counsel in form acceptable to Mortgagee; (f) an assumption fee equal to one and one-half percent (1 ½%) of the outstanding principal balance of the Note is paid to Mortgagee prior to such transfer; (g) the Mortgagor is not then in default under the terms or conditions hereof or of the Note or the Assignment of Leases beyond any applicable grace or cure periods; (h) all costs relating to the transfer are paid by Mortgagor or Transferee; (i) Mortgagee is provided with all documents necessary to consider the transfer, and prior written notice of the transfer, at least thirty (30) days before such transfer; (j) Mortgagee receives written confirmation from any guarantor(s) that any guaranty(s) executed in connection with the Note, the Assignment of Leases and this Mortgage remain(s) unmodified and in full force and effect after such transfer or a replacement guarantor acceptable to Mortgagee, in its sole discretion, is provided. (If Mortgagee is provided with an acceptable replacement guarantor(s), then the original guarantor(s) shall be released from all liability for events which wholly arise and occur after such transfer.); (k) if any lease of the Mortgaged Property requires the tenant thereunder to consent to such transfer, written evidence of such tenant's consent, in form

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acceptable to Mortgagee, shall be provided to Mortgagee prior to such transfer; and (l) if Mortgagee chooses to close the transfer and assumption through outside counsel, Mortgagor shall be responsible for all outside counsel fees and costs incurred by Mortgagee.

The following listed transfers of ownership interests in the Mortgagor (but not transfers of the Mortgaged Property) shall be permitted during the term of this Mortgage provided that (i) Mortgagee is given at least thirty (30) days prior written notice of any such transfer; (ii) Mortgagor and the transferee agree to execute and deliver to Mortgagee such documents regarding the transfer as are required by Mortgagee; (iii) the Mortgagor is not then in default under the terms and conditions of this Mortgage, the Note, the Assignment of Leases or any other documents executed herewith beyond any applicable grace or cure periods; (iv) Mortgagor and/or the transferee pay all costs and expenses related to such transfer; (v) Mortgagee receives written confirmation from any guarantor(s) that any guaranty(s) executed in connection herewith remain(s) unmodified and in full force and effect after such transfer; (vi) William Lederer and David Soble each retains at least a five percentage (5%) ownership interest in the Mortgagor after such transfer; (vii) Mortgagee is paid a processing fee of Two Thousand Dollars (\$2,000) for each such transfer:

a. Transfers of ownership interests in the Mortgagor from any existing partner, shareholder or member of Mortgagor to another existing partner, shareholder or member of Mortgagor.

b. Transfers of ownership interests in the Mortgagor from any existing partner, shareholder or member of Mortgagor to the children, grandchildren, spouse, brothers or sisters of such transferring partner, shareholder or member of Mortgagor (or to trusts for the benefit of such persons.)

c. Transfers of ownership interests in the Mortgagor which occur as the result of the death of a partner, shareholder or member of Mortgagor.

9. Compliance with Law and Agreements. The Mortgagor will comply with all present and future statutes, laws, rules, orders, restrictions, regulations and ordinances affecting the Mortgaged Property, any part thereof, or the use thereof. The Mortgagor will comply with the provisions of all agreements affecting the Mortgaged Property including, without limitation, easement agreements for use of common areas, if any. The Mortgagor represents and warrants (i) that all improvements on the Land were constructed in compliance with all existing statutes, laws, rules, orders, regulations, restrictions and ordinances; (ii) that, to the knowledge of the Mortgagor, there are no defects in materials or workmanship affecting improvements on the Land; (iii) that the Mortgaged Property is properly zoned for the uses specified in the Leases; (iv) that the Mortgaged Property has not been designated as a flood hazard area by any agency of government; and (v) that the Mortgaged Property is separately assessed for real estate tax purposes.

10. Effect of Changes in Laws Regarding Taxation. In the event of the enactment after this date of any law of the state in which the Mortgaged Property is located deducting from the value of the Mortgaged Property for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens

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herein required to be paid by the Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of the Mortgagee in the Mortgaged Property, or the manner of collection of taxes, so as to adversely affect this Mortgage or the Indebtedness Hereby Secured or the holders thereof, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor, provided, however, that if in the reasonable opinion of counsel for the Mortgagee (i) it might be unlawful to require the Mortgagor to make such payment or (ii) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Mortgagee may elect, by notice given to the Mortgagor, to declare all of the Indebtedness Hereby Secured to be and become due and payable sixty (60) days from the giving of such notice.

11. Waiver; Releases; Resort to Other Security; Etc. Without affecting the liability of the Mortgagor or any other party liable for payment of any Indebtedness Hereby Secured or performance of any obligation contained herein, and without affecting the rights of the Mortgagee with respect to any security not expressly released in writing, the Mortgagee may, at any time, and without notice to or the consent of any party in interest with the Mortgaged Property or the Note or the Indebtedness Hereby Secured (a) release any person liable for payment of all or any part of the Indebtedness Hereby Secured or for performance of any obligation herein, (b) make any agreement extending the time or otherwise altering the terms of payment of all or any part of the Indebtedness Hereby Secured or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof, (c) accept any additional security, (d) release or otherwise deal with any property, real or personal, including any or all of the Mortgaged Property, including making partial releases of the Mortgaged Property without notice to or approval of other parties in interest with the Mortgaged Property, or (e) resort to any chattel mortgages, security agreements, pledges, contracts of guarantee, assignments of rents and leases or other securities, and exhaust any one or more of said securities and the security hereunder, either concurrently or independently and in such order as it may determine, or (f) accept payment of the Indebtedness Hereby Secured, or any part thereof, after its due date or after acceleration of such indebtedness and the filing of a foreclosure action.

12. Mortgagee's Right of Inspection. The Mortgagee, or its agents, may at all reasonable times upon reasonable notice enter upon the Mortgaged Property for the purposes of inspection. The Mortgagee shall have no duty to make such inspection and shall not be liable to the Mortgagor if it makes such inspection. Mortgagee, or its agents, may at all reasonable times inspect the books and records of Mortgagor relating to the Mortgaged Property or this Mortgage.

13. Additional Assurances. The Mortgagor will, upon reasonable request by the Mortgagee, execute and deliver such further instruments and assurances and will do such further acts as may be necessary or proper to carry out more effectively the purposes of this Mortgage and without limiting the foregoing, to make subject to the lien hereof any property agreed to be subjected or covered by the granting clause hereof, or intended so to be, and to execute to the Mortgagee assignments of leases on the Mortgaged Property hereafter executed, if any.

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14. Protection of Security. The Mortgagor agrees to appear in and defend any suit, action or proceeding that affects the Mortgaged Property, the Note, this Mortgage, the Assignment of Leases, the Indebtedness Hereby Secured or the rights or powers of the Mortgagee and should the Mortgagee elect also to appear in or defend any such action or proceeding, or should the Mortgagee be made a party to such action by reason of this Mortgage, the Mortgagor will at all times, indemnify and on demand reimburse the Mortgagee from any and all loss, damage, expense or cost arising out of or incurred in connection with any such suit action or proceeding, including without restriction, costs of evidence of title and reasonable attorney's fees, and the sum of all such expenditures, together with interest thereon from date of any such expenditure at the Default Rate (or at such lesser rate of interest as may be the maximum not prohibited by applicable law), shall be due and payable immediately on demand and shall be added to and become part of the Indebtedness Hereby Secured.

15. No Claim Against The Mortgagee. Nothing contained in this Mortgage shall constitute any consent or request by the Mortgagee, express or implied, for the performance of any labor or services or for the furnishing of any materials or other property in respect of the Mortgaged Property, or any part thereof, nor as giving the Mortgagor or any lessee under any of the Leases any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would create any personal liability against the Mortgagee in respect thereof or would permit the making of any claim that any lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the lien of this Mortgage.

16. Late Charge. The Mortgagor agrees to pay, in addition to all other sums provided for herein, a late charge of five (5) cents for each one dollar of each regular monthly payment more than five (5) days in arrears, to cover the extra expense of the Mortgagee in handling delinquent payments.

17. Filing and Recording Fees. The Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the execution and acknowledgment of this Mortgage and all federal, state, county, and municipal taxes, and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Note, this Mortgage and any further assurances.

18. Statement of Indebtedness. The Mortgagor on written request of the Mortgagee will furnish a signed statement of the amount of the Indebtedness Hereby Secured and whether or not any default then exists hereunder or under the Note or the Assignment of Leases or any other document securing the Note and specifying the nature of such default or defaults.

19. Business Purpose. The Mortgagee has been advised by the Mortgagor that the proceeds of the Note secured by this Mortgage will be used for the purposes specified in Illinois Annotated Statutes, Chapter 17, Paragraph 6404, Section 4(c), (Smith-Hurd 1992), and that the principal obligation secured hereby constitutes a business loan which comes within the purview of said statutes.

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20. Hazardous Substance Compliance and Indemnification. Mortgagor hereby expressly represents, warrants and covenants to Mortgagee that, except as previously disclosed to Mortgagee in the Phase I Report dated June 27, 2007: (i) neither Mortgagor nor, to the knowledge of Mortgagor, any other person, has used or permitted any Hazardous Substances, as hereinafter defined, to be placed, held, stored or disposed on the Mortgaged Property or any portion thereof, (ii) the Mortgaged Property does not now contain any Hazardous Substance in violation of any Environmental Laws; and (iii) Mortgagor, so long as any of the Indebtedness Hereby Secured remains unpaid, shall not allow any Hazardous Substances to be placed, held, stored or disposed on the Mortgaged Property or any portion thereof or incorporated into any improvements on the Mortgaged Property in violation of any Environmental Laws.

The term "Hazardous Substance" shall mean any hazardous, toxic, or dangerous waste, substance or material defined as such in or for the purpose of the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Super-Lien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulations, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, now or at any time hereafter in effect (collectively the "Environmental Laws").

Mortgagor hereby agrees to indemnify Mortgagee and hold it harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever, paid, incurred or suffered by, or asserted against, Mortgagee for, with respect to, or as a direct or indirect result of any of the following:

- (i) The presence on or under, the escape, seepage, leakage, spillage, discharge, emission, or release from the Mortgaged Property or any portion thereof of any Hazardous Substance, toxic material, dangerous waste or hydrocarbon, (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any of the Environmental Laws); or
- (ii) Any liens against the Mortgaged Property or any portion thereof or any interest or estate in any portion thereof, created, permitted or imposed by the Environmental Laws, or any actual or asserted liability of or obligations of Mortgagor under the Environmental Laws.

Any expenses or payments made by Mortgagee to cure any violation of any Environmental Laws shall be additional Indebtedness Hereby Secured.

21. Default. It shall be a default under this Mortgage if one or more of the following events (in this Mortgage called "default" or "Event of Default") shall happen, that is to say: (a) if the Mortgagor shall default in the payment of the Indebtedness Hereby Secured in accordance with the terms of the Note and this Mortgage and any other document securing the Note (whether at the stated maturity or at a date fixed for any installment payment or otherwise); or (b) if the Mortgagor shall fail to furnish insurance policies or pay the premiums thereon at the times required in Section 4 of

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this Mortgage; or (c) if the Mortgagor shall default in the due observance or performance of any covenant or agreement set out in subparagraphs (i) or (ii) of Section 8 of this Mortgage; or (d) if the Mortgagor shall default in the due observance or performance of any of the other terms, conditions or covenants of the Note or of this Mortgage, and such default continues for a period of thirty (30) days after the date of mailing written notice thereof to the Mortgagor except that if any such default cannot with due diligence be cured within a period of thirty (30) days, such default shall not be deemed to continue if the Mortgagor proceeds promptly and with all due diligence to cure the default and diligently completes the curing thereof; or (e) if the Mortgagor shall abandon or surrender the Mortgaged Property; or (f) if the Mortgagor shall default in the due observance or performance of any terms, conditions or covenants of the Assignment of Leases or any other document securing the Note (other than covenants or agreements of the type set out in subparagraphs (i) or (ii) of Section 8 of this Mortgage), and such default continues for a period of thirty (30) days after the date of mailing written notice thereof to the Mortgagor, except that if any such default cannot with due diligence be cured within a period of thirty (30) days, such default shall not be deemed to continue if the Mortgagor proceeds promptly and with all due diligence to cure the default and diligently completes the curing thereof; or (g) if any representation or warranty herein or in the Note or the Assignment of Leases or any other document securing the Note or if the financial statements of the Mortgagor furnished to the Mortgagee shall be untrue or incorrect in any material respect as of the time same shall have been made or such financial statements shall have been furnished; or (h) if the Mortgagor shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future bankruptcy or insolvency statute, law or regulation or shall file an answer admitting to or not contesting the material allegations of a petition filed against it in such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Mortgagor or a material part of its properties, or shall not within ninety (90) days after the appointment, without the consent or acquiescence of the Mortgagor, of a trustee, receiver or liquidator of the Mortgagor or any material part of its properties have such appointment vacated.

22. Acceleration, Mortgagee's Right to Foreclose. If a default or an Event of Default shall occur, the whole of the Indebtedness Hereby Secured, including any prepayent premium then payable under the Note, shall be and become immediately due and payable without notice, at the election of the Mortgagee, exercised at any time after the occurrence of such Event of Default, and the Mortgagee shall have all rights and remedies as provided herein or by law, and may proceed at once, or at any time thereafter, to foreclose this Mortgage in a court of competent jurisdiction, or to enforce the covenants hereof. If, while any insurance proceeds or condemnation awards are being held by the Mortgagee to reimburse the Mortgagor for the cost of rebuilding or restoration of buildings or improvements on the Land as set forth in this Mortgage, the Mortgagee shall be or become entitled to, and shall accelerate the Indebtedness Hereby Secured, then and in such event, the Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by it in reduction of the Indebtedness Hereby Secured in such order as the Mortgagee may determine and any excess held by it over the amount of such indebtedness shall be returned to the Mortgagor or any person or persons entitled thereto, without interest.

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23. Foreclosure; Expense of Litigation. When the Indebtedness Hereby Secured, or any part thereof, shall become due, whether by acceleration or otherwise, the Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. In any suit to foreclose the lien hereof, or for collection of the Indebtedness Hereby Secured or if this Mortgage or the Note shall be placed in the hands of an attorney for collection, there shall be allowed and included all expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for attorneys' fees, appraiser's fees, charges for environmental assessments, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examination, title insurance policies and similar data and assurances with respect to title as the Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to the decree of foreclosure the true condition of the title to or the value of the Mortgaged Property. All expenditures and expenses of the nature in this paragraph mentioned, together with interest thereon from date of any such expenditure at the Default Rate (or at such lesser rate of interest as may be the maximum not prohibited by applicable law), shall be immediately due and payable on demand and shall be added to and become part of the Indebtedness Hereby Secured.

24. Application of Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order or priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding section hereof; second, the Indebtedness Hereby Secured remaining unpaid; and third, any overplus to any persons entitled thereto, as their rights may appear.

25. Appointment of Receiver. Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Mortgaged Property. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of the Mortgagor at the time of application for such receiver and without regard to the then value of the Mortgaged Property or whether the same shall be then occupied as a homestead or not and the Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have the power to collect the rents, issues and profits of the Mortgaged Property during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there is redemption or not, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the Indebtedness Hereby Secured, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (b) the deficiency in case of a sale and deficiency.

26. Payment of Prepayment Premium. The Note may be subject to voluntary prepayment as provided in the Note, with premium and under the conditions stated therein. If, following the

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occurrence of a default or an Event of Default and an acceleration of the Indebtedness Hereby Secured but prior to a sale of the Mortgaged Property in foreclosure, the Mortgagor shall tender to the Mortgagee payment of an amount sufficient to satisfy the Indebtedness Hereby Secured, such tender shall be deemed to be a voluntary prepayment under the Note and, accordingly, the Mortgagor shall also pay to the Mortgagee the prepayment premium (if any) then required under the Note in order to exercise the prepayment privilege contained therein. If such tender is made during a period when prepayment is not permitted, the premium shall be the highest amount stated in the prepayment clause in the Note secured hereby.

27. Forbearance Not a Waiver; Rights and Remedies Cumulative. No delay by the Mortgagee in exercising any right or remedy provided herein or otherwise afforded by law or equity shall be deemed a waiver of or preclude the exercise of such right or remedy, and no waiver by the Mortgagee of any particular provision of this Mortgage shall be deemed effective unless in writing signed by the Mortgagee. All such rights and remedies provided for herein or which the Mortgagee or the holder of the Note may have otherwise, at law or in equity, shall be distinct, separate and cumulative and may be exercised singly or serially (in any order) or concurrently, and as often as the occasion therefor arises. No action by the Mortgagee under the provisions of this Mortgage shall impair any acceleration or foreclosure right or remedy available to the Mortgagee under this Mortgage. Acceleration of the Indebtedness Hereby Secured, once claimed hereunder by the Mortgagee, may, at the option of the Mortgagee, be rescinded, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of the Indebtedness Hereby Secured.

28. Waiver of Defense. No action for the enforcement of the lien or of any provision of this Mortgage 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.

29. Waiver of Statutory Rights. The Mortgagor shall not and will 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. The Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. The Mortgagor does hereby expressly waive any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of the Mortgagor and on behalf of each and every person excepting only decree or judgment creditors of the Mortgagor acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage.

30. Release upon Discharge of Mortgagor's Obligations. The Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of the Indebtedness Hereby Secured at the expense of the Mortgagor.

31. Security Agreement. The parties agree to the following additional defined terms:

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"Account" shall have the definition assigned to it in the UCC.

"Bank" shall have the meaning assigned to that term in the UCC.

"Chattel Paper" shall have the definition assigned to it in the UCC.

"Commercial Tort Claim" shall have the definition assigned to it in the UCC.

"Deposit Account" shall have the definition assigned to it in the UCC.

"Document" shall have the definition assigned to it in the UCC.

"Financing Statements" shall have the definition assigned to it in the UCC.

"General Intangibles" shall have the definition assigned to it in the UCC.

"Goods" shall have the definition assigned to it in the UCC. "Goods" include all detached fixtures, items of Personal Property that may become fixtures, property management files, accounting books and records, reports of consultants relating to the Land, site plans, test borings, environmental or geotechnical surveys samples and test results, blueprints, construction and shop drawings, and plans and specifications.

"Investment Property" shall have the definition assigned to that term in the UCC.

"Letter of Credit Rights" shall have the definition assigned to it in the UCC.

"Money" shall have the definition assigned to it in the UCC.

"Personal Property" means Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Goods, Instruments, General Intangibles, Investment Property, Letter-of-Credit Rights, Letters of Credit, Money, and Proceeds.

"Proceeds" shall have the meaning assigned to that term in the UCC.

"UCC" means the Uniform Commercial Code as adopted in the state where the Mortgaged Property is located.

This Mortgage shall also constitute and serve as a "Security Agreement" on Personal Property located, arising from or related to the Mortgaged Property. The Mortgagor hereby grants Mortgage a security interest in all such Personal Property. The Mortgagor hereby authorizes the Mortgagee to execute any "Financing Statements" deemed necessary by the Mortgagee and agrees with the Mortgagee to execute and deliver to the Mortgagee, in form and substance satisfactory to the Mortgagee, such further assurances as the Mortgagee may, from time to time, consider reasonably necessary to create, perfect, and preserve the security interest of the Mortgagee herein granted, and

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the Mortgagee may cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest. The Mortgagee shall have all the rights, remedies and recourse with respect to the personal property afforded a Secured Party by the aforesaid Uniform Commercial Code in addition to, and not in limitation of, the other rights, remedies and recourse afforded the Mortgagee by this Mortgage.

Mortgagor shall provide to Mortgagee upon request, certified copies of any searches of UCC records deemed necessary or appropriate by Mortgagee to confirm the first priority status of its security interest in the Personal Property, together with copies of all documents or records evidencing security interests disclosed by such searches. The Mortgagor shall pay all filing fees and costs and all reasonable costs and expenses of any record searches (or their continuations) as the Mortgagee may require. All of the Personal Property is, and shall during the term hereof continue to be, owned by the Mortgagor, and is not the subject matter of any lease, control agreement or other instrument, agreement or transaction whereby any ownership, security or beneficial interest in the Personal Property is held by any person or entity other than the Mortgagor, subject only to (1) the Mortgagee's security interest, (2) the rights of tenants occupying the Land pursuant to Leases approved by the Mortgagee, and (3) the exception on title as permitted hereunder. The Mortgagor covenants and agrees that Mortgagor will furnish Mortgagee with notice of any change in its name, form of organization, or state of organization within thirty (30) days prior to the effective date of any such change. The Mortgagor will not remove or permit to be removed any item included in the Goods from the real property described herein, unless the same is replaced immediately with unencumbered Goods (1) of a quality and value equal or superior to that which it replaces and (2) which is located on the real property described herein. All such replacements, renewals, and additions shall become and be immediately subject to the security interest of the Mortgagee.

This Mortgage constitutes a financing statement filed as a fixture filing in the records of the County where the Mortgaged Property is located with respect to any and all fixtures comprising the Mortgaged Property. The "debtor" is the Mortgagor, the "secured party" is the Mortgagee, and the collateral is as described above and in the granting clause of this Mortgage. The owner of record of the Land is the Mortgagor.

32. Giving of Notice. Any notice which either party hereto may desire or be required to give to the other party shall be in writing and the mailing thereof by United States Postal Service certified or registered mail, or by recognized national overnight courier service, postage prepaid, addressed to the Mortgagor or the Mortgagee, as the case may be, at the respective address first above set out, or at such other place as any party hereto may by notice in writing designate to the other party as a place for service of notice, shall constitute service of notice hereunder.

33. Subrogation. The Mortgagee is hereby subrogated for further security to the lien, although released of record, of any and all encumbrances paid with the proceeds of the Indebtedness Hereby Secured.

34. Governing Law; Severability. In the event one or more of the provisions contained in this Mortgage or the Note or in any other document securing the Note shall for any reason be held to be

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invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provision of this Mortgage, and this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. This Mortgage and the Note it secures are to be construed and governed by the laws of the State of Illinois.

35. No Usury. Notwithstanding any provision hereof, it is not intended by the Note or the Assignment of Leases or this Mortgage or any other document securing the Note to impose upon the Mortgagor any obligation to pay interest in excess of the maximum rate of interest permitted by law, and any interest which exceeds such maximum rate of interest shall automatically abate to the extent of such excess.

36. No Merger. Unless the Mortgagee shall expressly consent in writing, the fee title to the Mortgaged Property and the leasehold estate of any lessee under any of the Leases shall not merge but shall always remain separate and distinct notwithstanding the union of such estates either in the Mortgagor, a lessee in any of the Leases or a third party.

37. Successors and Assigns, etc. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon the Mortgagor and its successors and assigns including, without limitation, each and every from time to time record owner of the fee title to the Mortgaged Property or any other person having an interest therein and shall inure to the benefit of the Mortgagee and its successors and assigns. Wherever herein the Mortgagee is referred to, such reference shall be deemed to include the holder from time to time of the Note whether so expressed or not, and each such from time to time holder of the Note shall have and enjoy all of the rights, privileges, powers, options and benefits afforded hereby and hereafter and may enforce all and every of the terms and provisions hereof, as fully and to the same extent and with the same effect as if each such from time to time holder is herein by name specifically granted such rights, privileges, powers, options, benefits and is herein by name designated as the Mortgagee. As used herein the words "successors and assigns" shall also be deemed to include the heirs, representatives, administrators and executors of any natural person who is a party to this Mortgage. In this Mortgage, whenever the context so requires, the masculine, feminine or neuter genders shall include the other genders, the singular number includes the plural and the plural the singular, and the term "person" shall include any individual, partnership, trustee or unincorporated association. If more than one person has executed this Mortgage as Mortgagor, the term "Mortgagor" shall include all such persons and the obligations of all such persons shall be joint and several.

38. Captions and Headings. The captions and headings of the various sections of this Mortgage are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof.

39. Counterparts. This Mortgage may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one instrument.

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40. Limitation of Liability. Subject to the limitations and exceptions contained in this section, and further subject to the terms of any guaranty agreement(s) executed in connection herewith, the Loan Documents (as hereinafter defined) shall be non-recourse to the Mortgagor except that Mortgagor shall be personally liable to Mortgagee, on a joint and several basis: (i) for payment of the Indebtedness Hereby Secured and performance of Mortgagor's obligations under the Note, any guaranty of the Note, this Mortgage, the Assignment of Leases and any other document executed therewith (in this Mortgage collectively called the "Loan Documents") if any of the events described in the following items a. through f. occur; and (ii) to the extent of any loss suffered by the Mortgagee as a result of the occurrence of any of the events described in the following items g. through p.:

a. Fraud or material misrepresentation in connection with the Loan Documents or the loan evidenced thereby; b. The occurrence of any prohibited transfer without the prior written consent of the Mortgagee; c. The voluntary encumbrance of the Mortgaged Property or any part thereof or interest therein by a lien securing an obligation for which Mortgagor or any of its members, shareholders, partners or beneficiaries is personally liable; d. Any act by Mortgagor or its members, shareholders, partners or beneficiaries to contest, delay or otherwise hinder Mortgagee's legal enforcement actions under the Loan Documents except for the assertion by Mortgagor of valid legal defenses; e. Any seizure or forfeiture of the Mortgaged Property or other collateral or security provided under any of the Loan Documents, or any portion thereof or the Mortgagee's interest therein, pursuant to federal, state or local laws; f. Any breach of the obligations of Mortgagor under the provisions of this Mortgage entitled "Hazardous Substance Compliance and Indemnification", including, without limitation, the indemnification obligations thereunder; g. Waste or any act or omission by Mortgagor which materially reduces the value of the Mortgaged Property; h. The failure following a default beyond any applicable notice and cure periods under any of the Loan Documents (retroactive to the date of the default in question) to apply all of the rents (however styled or termed), issues, profits or other income from the Mortgaged Property or other collateral or security provided under any of the Loan Documents to the payment of the Indebtedness Hereby Secured, after paying all reasonable, ordinary and customary expenses directly incurred and currently due for the operation of the Mortgaged Property; i. The collection of rents (however styled or termed) or other income from the Mortgaged Property or other collateral or security provided under any of the Loan Documents more than thirty (30) days in advance or the failure to account for security deposits of tenants or other occupants at the Mortgaged Property (and interest required by law or agreement to be paid thereon) which in either such case are not turned over to Mortgagee immediately after Mortgagee's demand following the occurrence of a default under any of the Loan Documents; j. The application of insurance proceeds or condemnation awards relating to the Mortgaged Property or other collateral or security provided under any of the Loan Documents in a manner contrary to the applicable provisions of the Loan Documents; k. The failure to maintain casualty and liability insurance as required under the Loan Documents; l. The existence of any lien on the Mortgaged Property (whether or not voluntary) other than those liens which are permitted exceptions as approved by the Mortgagee; m. The removal, in violation of the Loan Documents, of any fixtures or personal property now or hereafter constituting collateral for the payment of Mortgagor's obligations under the Loan Documents; n. The failure to pay real estate taxes, special assessments, personal property taxes and other levies or assessments constituting a lien against all or any part of the Mortgaged Property or the collateral or other security provided under any of the Loan Documents; o. The expenditure by

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the Mortgagee of any sums required to perform landlord obligations under leases of the Mortgaged Property or any part thereof required to have been performed prior to any transfer of possession of the Mortgaged Property to Mortgagee or a receiver; and p. Any modifications, terminations or cancellations of any lease(s) of the Mortgaged Property or any part thereof without the Mortgagee's prior written consent, if and to the extent such consent is required under the Loan Documents.

The foregoing provisions of this section shall not (i) limit or impair in any way the validity or priority of the lien of this Mortgage or the liens created under any other documents executed herewith, (ii) prevent the failure to pay when due of any amounts under the Loan Documents, or the failure to comply with any other covenants under the Loan Documents, from constituting a default under the Loan Documents, (iii) limit or impair in any way the Mortgagee's rights to accelerate maturity of the Indebtedness Hereby Secured or to cause a foreclosure sale or other enforcement of its remedies as to the Mortgaged Property under the Loan Documents, (iv) limit or impair in any way Mortgagee's right to name Mortgagor a party defendant in any action for foreclosure under, or other enforcement of, the Loan Documents if Mortgagor is a necessary party in connection therewith, or (v) limit or impair in any way Mortgagee's rights, or release any person's or entity's obligations, under any indemnity or guaranty given in connection with the Loan Documents.

41. Release Parcels: (a) Release Parcel 1. Mortgagee agrees that, during the existence of this Mortgage and after the first Loan Year (as defined in the Note) and at the request of the Mortgagor, Mortgagee shall release Parcel 1, as described in the attached Exhibit A, and all buildings and Improvements located thereon (herein called "Parcel 1") from the lien of this Mortgage, subject to satisfaction by Mortgagor of all of the following terms and conditions: (a) Mortgagor shall have paid to Mortgagee a release amount equal to the lesser of the then outstanding principal balance of the Indebtedness Hereby Secured or Eight Hundred Thousand Dollars (\$800,000) (which release amount will be applied to reduce the principal balance of the Indebtedness Hereby Secured) plus any prepayment premium then due upon such release amount in accordance with the terms of the Note, (b) No default shall have occurred or then exist under the terms of the Loan Documents, (c) Mortgagee shall be given at least thirty (30) days prior written notice of the Mortgagor's intention to secure the release of Parcel 1, (d) Any portion of the Mortgaged Property remaining subject to this Mortgage after the release of Parcel 1 shall be separately assessed for real estate tax purposes, and evidence thereof shall be provided to Mortgagee prior to the release of Parcel 1, (e) The Mortgagor shall provide Mortgagee with an updated survey of the Mortgaged Property, meeting the survey requirements of Mortgagee, which shows Parcel 1 and the portion of the Mortgaged Property that remains subject to the Mortgage after such release, (f) Mortgagee shall be provided with an update and/or endorsement to its title insurance policy, in form satisfactory to Mortgagee, insuring that the Mortgage is a valid first lien on the remainder of the Mortgaged Property after the release of Parcel 1, and showing that there are no liens or encumbrances thereon except those liens or encumbrances approved by Mortgagee, (g) Mortgagor will provide, execute and deliver to Mortgagee such documents, certificates and things regarding the release of Parcel 1 as Mortgagee may reasonably require, (h) Mortgagee shall be paid an administrative fee of Five Thousand Dollars (\$5,000) prior to the release of Parcel 1, (i) Mortgagor shall pay all cost and expenses related to the release of Parcel 1, and (j) All the terms and provisions of the Loan Documents shall otherwise remain unmodified and in full force and effect after release of Parcel 1.

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(b) Release Parcel 2. Mortgagee agrees that, during the existence of this Mortgage and after the first Loan Year (as defined in the Note) and at the request of the Mortgagor, Mortgagee shall release Parcel 2, as described in the attached Exhibit B, and all buildings and Improvements located thereon (herein called "Parcel 2") from the lien of this Mortgage, subject to satisfaction by Mortgagor of all of the following terms and conditions: (a) Mortgagor shall have paid to Mortgagee a release amount equal to the lesser of the then outstanding principal balance of the Indebtedness Hereby Secured or Five Hundred Seventy-Five Thousand Dollars (\$575,000) (which release amount will be applied to reduce the principal balance of the Indebtedness Hereby Secured) plus any prepayment premium then due upon such release amount in accordance with the terms of the Note, (b) No default shall have occurred or then exist under the terms of the Loan Documents, (c) Mortgagee shall be given at least thirty (30) days prior written notice of the Mortgagor's intention to secure the release of Parcel 2, (d) Any portion of the Mortgaged Property remaining subject to this Mortgage after the release of Parcel 2 shall be separately assessed for real estate tax purposes, and evidence thereof shall be provided to Mortgagee prior to the release of Parcel 2, (e) The Mortgagor shall provide Mortgagee with an updated survey of the Mortgaged Property, meeting the survey requirements of Mortgagee, which shows Parcel 2 and the portion of the Mortgaged Property that remains subject to the Mortgage after such release, (f) Mortgagee shall be provided with an update and/or endorsement to its title insurance policy, in form satisfactory to Mortgagee, insuring that the Mortgage is a valid first lien on the remainder of the Mortgaged Property after the release of Parcel 2, and showing that there are no liens or encumbrances thereon except those liens or encumbrances approved by Mortgagee, (g) Mortgagor will provide, execute and deliver to Mortgagee such documents, certificates and things regarding the release of Parcel 2 as Mortgagee may reasonably require, (h) Mortgagee shall be paid an administrative fee of Five Thousand Dollars (\$5,000) prior to the release of Parcel 2; and (i) Mortgagor shall pay all cost and expenses related to the release of Parcel 2, and (j) All the terms and provisions of the Loan Documents shall otherwise remain unmodified and in full force and effect after release of Parcel 2.

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