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THIS DOCUMENT PREPARED BY AND UPON  
RECORDING TO BE RETURNED TO:

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Chicago, Illinois 60606-1229



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Cook County Recorder of Deeds  
Date: 10/24/2007 11:02 AM Pg: 1 of 36

FIRST AMERICAN TITLE  
ORDER# 1093882

## MORTGAGE AND SECURITY AGREEMENT

THIS INDENTURE made as of the 31<sup>st</sup> day of July, 2007, by and between James Equities Land Fund I, LLC, an Illinois limited liability company whose address is 65 East Wacker Place, Suite 2300, Chicago, Illinois 60601 (herein referred to as "Mortgagor"), and Citizens National Bank, a national banking association, whose address is 127 South Side Square, Macomb, Illinois 61455 (herein referred to as "Mortgagee"). All capitalized terms used herein shall have the same meaning as such terms are used in the Loan Agreement (hereafter defined).

### WITNESSETH:

THAT, WHEREAS, Mortgagor is justly indebted to Mortgagee in the principal sum of THREE MILLION FIVE HUNDRED THOUSAND and No/100 Dollars (\$3,500,000.00), or so much thereof as may be disbursed pursuant to the "Loan Agreement" defined in Section 45 hereof, evidenced by that certain Note of Mortgagor dated of even date herewith (hereinafter referred to as the "Note"), made payable to the order of Mortgagee and delivered to Mortgagee, in and by which Note, Mortgagor promises to pay the said principal sum and interest at the rate and in installments as provided in the Note, with a final payment of the balance of the Note, if not sooner paid, to be due on February 1, 2009 ("Maturity Date") (or in the event Borrower validly extends the Maturity Date pursuant to Section 1.9 of the Loan Agreement, then such date will be August 1, 2009), 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 appoint, and in absence of such appointment, then at the office of Mortgagee at the address set forth in the initial paragraph hereof; and

WHEREAS, this Mortgage is given to secure a loan in the amount of THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$3,500,000.00) as described in the Loan Agreement, and secures not only the indebtedness from Mortgagor to Mortgagee existing on the date hereof but all such future advances,

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whether such advances are obligatory or to be made at the option of Mortgagee, or otherwise, as are made after the date of this Mortgage as provided in the Loan Agreement, to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The total amount of indebtedness secured by this Mortgage may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed a maximum principal amount of \$10,000,000.00 plus interest thereon, plus any advances or disbursements made by Mortgagee for the payment of taxes, special assessments, insurance, or other items as provided in this Mortgage relating to the Mortgaged Premises, together with the interest on such advances or disbursements at the applicable rate set forth in the Note.

NOW, THEREFORE, Mortgagor, to secure the payment of said principal sum of money and said interest in accordance with the terms, provisions and limitations of this Mortgage, and of the Note secured hereby, and any other sums advanced by Mortgagee to protect the security of this Mortgage or discharge the obligations of Mortgagor hereunder, and the performance of the covenants and agreements herein contained and contained in the Note and in any other documents evidencing or securing the indebtedness evidenced by the Note and described in the Loan Agreement (the Note, this Mortgage, the Loan Agreement and such other documents being hereinafter referred to collectively as the "Loan Documents"), by Mortgagor to be performed, and also in consideration of the sum of One Dollar (\$1.00) in hand paid, the receipt whereof is hereby acknowledged, does by these presents MORTGAGE, GRANT, CONVEY and RELEASE unto Mortgagee, its successors and assigns, the following-described real estate (hereinafter referred to as the "Land") and all of its estate, right, title and interest therein, situate, lying and being in the County of Cook and State of Illinois, to-wit:

THE LAND MORTGAGED HEREBY IS DESCRIBED ON  
EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

which Land, with the property hereinafter described, is referred to herein collectively as the "Mortgaged Premises."

TOGETHER with all easements, rights of way, strips and gores of land, vaults, streets, alleys, water rights, mineral rights, and rights used in connection with the Land or to provide a means of access to the Land, and all tenements, hereditaments and appurtenances thereof and thereto pertaining or belonging, and all underground and overhead passageways and licenses in connection therewith;

TOGETHER with all leasehold estates, right, title and interest of Mortgagor in any and all leases, subleases, management agreements, arrangements, concessions, or agreements, written or oral, relating to the use and occupancy of the Land and improvements or any portion thereof located thereon, now or hereafter existing or entered into;

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TOGETHER with all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily);

TOGETHER with any and all buildings and improvements now or hereafter erected on the Land, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to said buildings and improvements and all tangible personal property owned by Mortgagor now or any time hereafter located on or at the Land or used in connection therewith, including, but not limited to, all goods, machinery tools, equipment (including fire sprinklers and alarm systems, air conditioning, heating, boilers, refrigerating, electronic monitoring, water, lighting, power, sanitation, waste removal, entertainment, recreational, window or structural cleaning rigs, maintenance and all other equipment of every kind), lobby and all other indoor or outdoor furniture (including tables, chairs planters, desks, sofas, shelves, lockers and cabinets) furnishings, appliances, inventory, rugs, carpets and other floor coverings, draperies, drapery rods and brackets, awnings, venetian blinds, partitions, chandeliers and other lighting fixtures, and all other fixtures, apparatus, equipment, furniture, furnishings all construction, architectural and engineering contracts subcontracts and other agreements now or hereafter entered into by Mortgagor and pertaining to the construction or remodeling of improvements on the Land, plans and specifications and other tests or studies now or hereafter prepared in contemplation of constructing or remodeling improvements on the Land, it being understood that the enumeration of any specific articles of property shall in no wise result in or be held to exclude any items of property not specifically mentioned;

TOGETHER with all the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereinafter acquire in the Mortgaged Premises, and any and all awards made for the taking by eminent domain, or by any proceedings or purchase in lieu thereof, of the whole or any part of the Mortgaged Premises, including, without any limitation, any awards resulting from the change of grade of streets and awards for severance damages.

All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall for the purposes of this Mortgage be deemed to be real estate and conveyed and mortgaged hereby.

Mortgagor covenants that it is lawfully seized of the Mortgaged Premises, that the same are unencumbered except for the title exceptions approved by Mortgagee and set forth on Exhibit B attached hereto and made a part hereof ("Permitted Encumbrances"), and that it has good right, full power and lawful authority to convey and mortgage the same, and that it will warrant and forever defend the Mortgaged Premises and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

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

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, etc.: Mortgagor shall (a) except for the structures which are to be demolished on the Mortgaged Premises or set forth in the Loan Agreement, promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Mortgaged Premises which may become damaged or be destroyed; (b) keep the Mortgaged Premises in good condition and repair, without waste, and free from mechanics' liens or claims for lien not expressly subordinated to the lien hereof; provided, however, that Mortgagor shall have the right to contest in good faith and with reasonable diligence the validity of any such lien or claim subject to the conditions set forth in Section 44 hereof; (c) pay when due any indebtedness or installment or portion thereof which may be secured by a lien or charge on the Mortgaged Premises and comply with all requirements of all loan documents evidencing or securing such indebtedness, and upon request exhibit satisfactory evidence of the discharge of such lien to Mortgagee; (d) perform the demolition work on the Mortgaged Premises in accordance with the applicable provisions of the Loan Agreement; (e) comply and cause the Mortgaged Premises at all times to be operated in compliance with all requirements of law, municipal ordinances, or restrictions of record with respect to the Mortgaged Premises and the use thereof, and with all federal, state, local and municipal environmental, health and safety laws, statutes, ordinances, rules and regulations, so that no cleanup requirement or any claim or other obligation or responsibility arises from a violation of any such laws, statutes, ordinances, rules and regulations; (f) not initiate or acquiesce in any classification or change in any zoning, use, building code, or other law, ordinance, statute, or regulation governing the use or development of the Mortgaged Premises, without Mortgagee's prior written consent; (g) pay each item of indebtedness, or installment or portion thereof, due from Mortgagor to Mortgagee including without limitation the indebtedness evidenced by the Note and secured by this Mortgage.

2. Representations and Covenants: Mortgagor hereby represents and covenants to Mortgagee that:

2.1 Power, etc.: Mortgagor (a) is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois and has complied with all conditions prerequisite to its doing business in the State of Illinois; (b) has the power and authority to own its properties and to carry on its business as now being conducted; (c) is qualified to do business in every jurisdiction in which the nature of its business or its properties makes such qualification necessary; and (d) is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.

2.2 Validity of Loan Instruments: (a) The execution, delivery and performance by Mortgagor of the Note, this Mortgage and all additional Loan Documents, and the borrowing evidenced by the Note (1) are within the powers of

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Mortgagor; (2) have been duly authorized by all requisite actions; (3) have received all necessary governmental approval; and (4) do not violate any provision of any law, any order of any court or agency of government or any indenture, agreement or other instrument to which Mortgagor is a party, or by which it or any portion of the Mortgaged Premises is bound, or be in conflict with, result in breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement, or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever, upon any of its property or assets, except as contemplated by the provisions of this Mortgage and any additional Loan Documents; and (b) the Note, this Mortgage and all additional Loan Documents, when executed and delivered by Mortgagor will constitute the legal, valid and binding obligations of Mortgagor, and other obligors named therein, if any, in accordance with their respective terms; subject, however, to such exculpation provisions as may be hereinafter specifically set forth.

2.3 Other Information: All other information, reports, papers, balance sheets, statements of profit and loss, and data given to Mortgagee, its agents, employees, representatives or counsel in respect of Mortgagor or others obligated under the terms of the Note, this Mortgage and all other Loan Documents are accurate and correct in all material respects and complete insofar as completeness may be necessary to give Mortgagee a true and accurate knowledge of the subject matter.

2.4 Litigation: There is not now pending against or affecting Mortgagor or others obligated under the terms of the Note, this Mortgage and all other Loan Documents, nor, to the knowledge of Mortgagor or others obligated under the terms of the Note, this Mortgage and all other Loan Documents, is there threatened, any action, suit or proceeding at law or in equity or by or before any administrative agency which if adversely determined would materially impair or affect the financial condition or operation of Mortgagor or the Mortgaged Premises.

3. Payment of Taxes: Subject to Mortgagor's right to contest on the conditions set forth in Section 44 hereof, Mortgagor shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the Mortgaged Premises and any personal property located thereon, and/or against the rents and other income derived from the Mortgaged Premises, when due, and shall, upon written request, furnish to Mortgagee duplicate receipts therefor. To prevent default hereunder, Mortgagor shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagor may desire to contest.

4. Tax Deposits:

A. Subject to the provisions of the sentence immediately following, Mortgagor covenants and agrees to deposit at such place as Mortgagee may from time to time in writing appoint, and in the absence of such appointment, then at the office of Mortgagee commencing on the first day of the first month after request therefor by Mortgagee, and on the first day of each month thereafter until the indebtedness secured by this Mortgage is fully paid, and all other obligations secured by this Mortgage are

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fully discharged, a sum equal to one-twelfth of the last total annual taxes and assessments for the last ascertainable year (general and special) on the Mortgaged Premises (unless said taxes are based upon assessments which exclude the improvements or any part thereof now constructed, or to be constructed, in which event the amount of such deposits shall be based upon Mortgagee's reasonable estimate as to the amount of taxes and assessments to be levied and assessed). The provisions of this Section 4A shall be inapplicable for so long as the Mortgagee holds undisbursed proceeds of the Loan which represent the amounts retained for the real estate tax reserve (the "Real Estate Tax Reserve") as part of the Project Costs (as defined in the Loan Agreement) established in the Budget (as defined in the Loan Agreement) in an amount which is not less than the amount reasonably estimated by Mortgagee to cover the real estate taxes due until the Maturity Date. If that portion of the Real Estate Tax Reserve allocated for such years taxes are insufficient to pay any such taxes or assessments (general and special) for any year when the same shall become due and payable, Mortgagor shall, within ten (10) days after receipt of demand therefor, deposit such additional funds as may be necessary to pay such taxes and assessments (general and special) in full. If the funds so deposited exceed the amount required to pay such taxes and assessments (general and special) for any year, the excess shall be applied on subsequent deposit or deposits.

B. Receipts showing and evidencing payment of all such taxes and assessments (general and special) shall be exhibited to Mortgagee within thirty (30) days after the due date for payment of same.

5. Mortgagee's Interest in and Use of Deposits: Upon the occurrence of an "Event of Default" under this Mortgage, Mortgagee may at its option, without being required to do so, apply any monies at the time on deposit pursuant to this Mortgage on any of Mortgagor's obligations herein or in the Note contained, in such order and manner as Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor. Such deposits are hereby pledged as additional security for the indebtedness hereunder and shall be held in trust to be irrevocably applied by the depository for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor; provided, however, that neither Mortgagee nor said depository shall be liable for any failure to apply to the payment of taxes and assessments any amount so deposited unless Mortgagor, while not in default hereunder, shall have requested said depository in writing to make application of such funds to the payment of the particular taxes or assessments for payment of which they were deposited, accompanied by the bills for such taxes and assessments. All deposits made by or for the benefit of Mortgagee hereunder shall be held without allowance of interest and need not be kept separate and apart, but may be commingled with any funds then in control of Mortgagee.

6. Insurance:

A. Mortgagor shall maintain the following insurance coverage with respect to the Mortgaged Premises:

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- (i) Insurance against loss of or damage to the Mortgaged Premises by fire and such other risks, including but not limited to risks insured against under extended coverage policies with all risk and difference in conditions endorsements and additional optional perils and vandalism coverage, in each case in amounts at all times sufficient to prevent Mortgagor from becoming a co-insurer under the terms of applicable policies and, in any event, in amounts not less than one hundred percent (100%) of the Full Insurable Value of the Mortgaged Premises, as determined from time to time;
- (ii) Comprehensive general liability insurance against any and all claims (including all costs and expenses of defending the same) for bodily injury or death and for property damage occurring upon, in or about the Mortgaged Premises and the adjoining streets or passageways in amounts not less than the respective amounts which Mortgagee shall from time to time reasonably require, having regard to the circumstances and usual practice at the time of prudent owners of comparable properties in the area in which the Mortgaged Premises are located, but in no event in an amount less than TWO MILLION AND NO/100 (\$2,000,000.00) DOLLARS relative to the Mortgaged Premises;
- (iii) Flood insurance if the Mortgaged Premises are located in a flood hazard area.
- (iv) Rental or business interruption insurance in amounts sufficient to pay, for a period of at least twelve (12) months, the rents or income derived from the Mortgaged Premises.
- (v) Such other insurance as is customarily purchased in the area for similar types of business and properties, in such amounts and against such insurable risks as from time to time may reasonably be required by Mortgagee.

B. Any insurance purchased by Mortgagor relating to the Mortgaged Premises, whether or not required under this Mortgage, shall be for the benefit of Mortgagee and Mortgagor, as their interests may appear, and shall be subject to the provisions of this Mortgage.

C. Unless Mortgagor provides Mortgagee with evidence of the insurance coverage required by this Mortgage and the other Loan Documents, Mortgagee may purchase insurance at Mortgagor's expense to protect Mortgagee's interests in the Mortgaged Premises. This insurance may, but need not, protect Mortgagor's interests. The coverage that Mortgagee purchases may

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not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the Mortgaged Premises. Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence to Mortgagee satisfaction that Mortgagor has obtained insurance as required by this Mortgage and the other Loan Documents. If Mortgagee purchases insurance for the Mortgaged Premises, Mortgagor will be responsible for the costs of that insurance, including interest at the Default Rate from the date of Mortgagee's purchase and any other charges Mortgagee imposes in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance shall be added to Mortgagor's total outstanding balance under the Note and the other Loan Documents. The costs of the insurance set forth in this subsection may be more than the cost of insurance Mortgagor may be able to obtain on its own.

D. All policies of insurance shall be in forms and with companies reasonably satisfactory to Mortgagee, with standard mortgage clauses attached to or incorporated in all policies in favor of Mortgagee or Mortgagee shall be named as additional loss payee where appropriate, including a provision requiring that coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to Mortgagee. Such insurance may be provided for under a blanket policy or policies and may provide that any loss or damage to the Mortgaged Premises not exceeding TWENTY-FIVE THOUSAND AND NO/100 (\$25,000.00) DOLLARS shall be adjusted by and paid to Mortgagor and any such loss exceeding TWENTY-FIVE THOUSAND AND NO/100 (\$25,000.00) DOLLARS shall be adjusted by Mortgagor and Mortgagee and paid to Mortgagee and held by Mortgagee in a non-interest bearing escrow account and/or applied at Mortgagee's discretion to the payment of the outstanding indebtedness owing under the Loan Documents, with any balance remaining after full satisfaction thereof to be paid to the Mortgagor.

E. Mortgagor shall deliver to Mortgagee the originals of all certificates of coverage under the required policies, including renewal or replacement policies, and in the case of insurance about to expire shall deliver renewal or replacement certificates in the not less than thirty (30) days prior to their respective dates of expiration.

F. Wherever provision is made in the Mortgage for insurance policies to bear mortgagee clauses or other loss payable clauses or endorsements in favor of Mortgagee, or to confer authority upon Mortgagee to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control use of insurance proceeds, from and after the entry of judgment of foreclosure, all such rights and powers of the Mortgagee shall continue in the Mortgagee as judgment creditor or mortgagee until confirmation of sale.



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G. Notwithstanding any damage, loss or casualty to the Mortgaged Premises and in any event, Mortgagor shall continue to pay the principal and interest due on the Note.

7. Adjustment of Losses with Insurer and Application of Proceeds of Insurance:

A. In case of any damage to or destruction of the Mortgaged Premises or any part thereof from any cause whatsoever, other than a Condemnation (as defined in Section 20), Mortgagor shall promptly give written notice thereof to Mortgagee, unless such damage or destruction involved less than TWENTY-FIVE THOUSAND AND NO/100 (\$25,000.00) DOLLARS. In any event, Mortgagor shall restore, repair, replace, or rebuild the same or cause the same to be restored, repaired, replaced or rebuilt to substantially the same value, condition and character as existed immediately prior to such damage or destruction. Such restoration, repair, replacement or rebuilding (herein collectively called "Restoration") shall be commenced promptly and completed with diligence by Mortgagor, subject only to delays beyond the control of Mortgagor; provided, however, that no Restoration shall be required or undertaken with respect to the improvements on the Mortgaged Premises that are or have been demolished as contemplated in the Loan Agreement.

B. All net insurance proceeds received by Mortgagee shall be made available to Mortgagor for the Restoration required hereby in the event of damage or destruction on account of which such insurance proceeds are paid. If at any time the net insurance proceeds which are payable to Mortgagor in accordance with the terms of this Mortgage shall be insufficient to pay the entire cost of the Restoration, Mortgagor shall immediately deposit the deficiency with Mortgagee. In such an event, Mortgagee shall make all payments from Mortgagor's own funds to the contractor making such Restoration until the amount of said deficiency has been satisfied; thereafter, Mortgagee shall make subsequent payments from the insurance proceeds to Mortgagor or to the contractor, whichever is appropriate. All payments hereunder shall be made only upon a certificate or certificates of a supervising architect appointed by Mortgagor and reasonably satisfactory to Mortgagee that payments, to the extent approved by such supervising architect, are due to such contractor for the Restoration, that the Mortgaged Premises are free of all liens of record for work labor or materials, and that the work conforms to the legal requirements therefor.

C. Upon completion of the Restoration, the excess net insurance proceeds, if any, shall be paid to Mortgagor.

D. If an Event of Default shall occur, then, upon thirty (30) days' notice from Mortgagee to Mortgagor, all insurance proceeds received by Mortgagee may be retained by Mortgagee and applied in payment of the mortgage indebtedness and to any excess repaid to or for the account of Mortgagor.

E. Nothing contained in this Mortgage shall create any responsibility or obligation on Mortgagee to collect any amount owing on any insurance policy to rebuild,

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repair or replace any damaged or destroyed portion of the Mortgaged Premises, including any improvements, or to perform any act hereunder.

## 8. Method of Taxation:

8.1 Stamp Tax: If, by the laws of the United States of America, or of any state, municipality or other governmental body having jurisdiction over Mortgagor or its property, any tax imposition or assessment is due or becomes due in respect of the issuance of the Note, this Mortgage or upon the interest of Mortgagee in the Mortgaged Premises, or any tax, assessment or imposition is imposed upon Mortgagee relating to the lien created hereunder, or any of the foregoing, Mortgagor covenants and agrees to pay such tax, levy, assessment or imposition in the manner required by any such law and the failure to so pay same shall constitute an Event of Default hereunder and at the option of Mortgagee all sums secured hereby shall in such event be immediately due and payable. Mortgagor further covenants to hold harmless and agrees to indemnify Mortgagee, its successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the Note.

8.2 Change in Method of Taxation: In the event of the enactment after this date of any law of the state in which the Mortgaged Premises are located deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Mortgaged Premises, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder hereof, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments, or reimburse Mortgagee therefor; provided, however, that if in the opinion of counsel for Mortgagee (a) it might be unlawful to require Mortgagor to make such payment; or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable without penalty or premium sixty (60) days from the giving of such notice. Nothing contained herein shall require Mortgagor to pay taxes based on the income received by Mortgagee from payments of interest due on the Loan

9. No Merger: It being the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Premises, it is hereby understood and agreed that should Mortgagee acquire any additional interest in or to the Mortgaged Premises or the ownership thereof, then, unless a contrary intent is manifested by Mortgagee, as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

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10. Prepayment Privilege: Mortgagor shall have the privilege of making prepayments on the principal of the Note (in addition to the required payments) in accordance with the terms and conditions set forth in the Note.

11. Assignment of Rents and Leases:

A. To further secure the indebtedness secured hereby, Mortgagor does hereby sell, assign and transfer unto Mortgagee all the rents, issues and profits now due with respect to the Mortgaged Premises and does hereby sell, assign and transfer onto Mortgagee all Mortgagor's right, title and interest as lessor under or by virtue of any lease, whether written or verbal, or any letting of, or of any agreement for the use or occupancy of the Mortgaged Premises or any part thereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by Mortgagor or its agents or beneficiaries under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all of such leases and agreements, and all the avails thereunder, unto Mortgagee, and Mortgagor does hereby appoint irrevocably Mortgagee its true and lawful attorney in its name and stead (with or without taking possession of the Mortgaged Premises as provided in Paragraph 17 hereof) to rent, lease or let all or any portion of the Mortgaged Premises to any party or parties at such rental and upon such terms as Mortgagee shall, in its discretion determine, and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter, and all now due or that may hereafter exist on the Mortgaged Premises, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Mortgagee would have upon taking possession pursuant to the provisions of Paragraph 17 hereof.

B. Mortgagor represents and agrees that no rent has been or will be paid by any person in possession of any portion of the Mortgaged Premises for more than one installment in advance and that the payment of none of the rents to accrue for any portion of the Mortgaged Premises has been or will be, without Mortgagee's consent, waived, released, reduced, discounted, or otherwise discharged or compromised by Mortgagor. Mortgagor shall not grant any rights of set off or permit any set off to rent by any person in possession of any portion of the Mortgaged Premises. Mortgagor agrees that it will not assign any lease or any rents or profits of the Mortgaged Premises, except to Mortgagee or with the prior written consent of Mortgagee.

C. Nothing herein contained shall be construed as constituting Mortgagee as a mortgagee in possession in the absence of the taking of actual possession of the Mortgaged Premises by Mortgagee pursuant to Paragraph 17 hereof. In the exercise of the powers herein granted Mortgagee, no liability shall be asserted or enforced against Mortgagee, all such liability being expressly waived and released by Mortgagor.

D. Mortgagor further agrees to assign and transfer to Mortgagee all future leases upon all or any part of the Mortgaged Premises and to execute and

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deliver, at the request of Mortgagee, all such further assurances and assignments in the Mortgaged Premises as Mortgagee shall from time to time require.

E. Although it is the intention of the parties that the assignment contained in this Paragraph 11 shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that so long as there is no Event of Default hereunder, Mortgagor shall have the privilege of collecting and retaining the rents accruing under the leases assigned hereby.

F. Mortgagor expressly covenants and agrees that if Mortgagor, as lessor under any lease for all or any part of the Mortgaged Premises, shall fail to perform and fulfill any term, covenant, condition or provision in said lease or leases, or any of them on its part to be performed or fulfilled, at the times and in the manner in said lease or leases provided, or if Mortgagor shall suffer or permit to occur any breach or default under the provisions of any assignment of any lease or leases given as additional security for the payment of the indebtedness secured hereby, such breach or default shall constitute a default hereunder and entitle Mortgagee to all rights available to it in such event.

G. At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in eminent domain), to any one or more leases affecting any part of the Mortgaged Premises, upon the execution by Mortgagee and recording or registration thereof, at any time hereafter, in the office wherein this Mortgage was registered or filed for record, of a unilateral declaration to that effect.

12. Additional Rights of Mortgagee: Mortgagor hereby covenants and agrees that:

12.1 If the payment of the indebtedness secured hereby or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in the Mortgaged Premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release.

12.2 In the event the ownership of the Mortgaged Premises, or any part thereof, becomes vested in a person or entity other than Mortgagor (without hereby implying Mortgagee's consent to any assignment, transfer or conveyance of the Mortgaged Premises) Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and to said debt in the same manner as with Mortgagor without in any way vitiating or discharging Mortgagor's liability hereunder or upon the debt. No sale of the Mortgaged Premises, no forbearance on the part of Mortgagee and no extension of the time for the payment of the debt hereby secured given by Mortgagee shall operate to release, modify, change, or affect the original liability, if any, of Mortgagor, either in whole or in part.

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12.3 Mortgagee, at its sole option and without notice, (a) may release any part of the Mortgaged Premises, or any person liable for the debt, without in any way affecting the lien hereof upon any part of the Mortgaged Premises not expressly released; (b) may agree with any party obligated on the debt, or having any interest in the Mortgaged Premises, to extend the time for payment of any part or all of the debt; (c) may accept a renewal note or notes therefor; (d) may take or release other or additional security for the indebtedness; (e) may consent to any plat, map or plan of the Mortgaged Premises; (f) may consent to the granting of any easement; (g) may join in any extension or subordination agreement; (h) may agree in writing with Mortgagor to modify the rate of interest or period of amortization of the Note or change the time of payment or the amount of the monthly installments payable thereunder; or (i) may waive or fail to exercise any right, power or remedy granted by law or herein or in any other instrument given at any time to evidence or secure the payment of the indebtedness. Any such agreement shall not in any way release or impair the lien hereof, but shall, as applicable, extend the lien hereof as against the title of all parties having any interest in the Mortgaged Premises which interest is subject to this Mortgage.

12.4 This Mortgage is intended only as security for the obligations herein set forth. Notwithstanding anything to the contrary contained in this Mortgage, Mortgagee shall have no obligation or liability under, or with respect to, or arising out of this Mortgage and shall not be required or obligated in any manner to perform or fulfill any of the obligations of Mortgagor hereunder.

12.5 Upon the occurrence of an Event of Default hereunder, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient. By way of illustration and not in limitation of the foregoing, Mortgagee may (but need not) do all or any of the following: make payments of principal or complete construction; make repairs; collect rents; prosecute collection of any sums due with respect to the Mortgaged Premises; purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit, proceeding, title or claim thereof; contest any tax or assessment; and redeem from any tax sale or forfeiture affecting the Mortgaged Premises. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Mortgagee to protect the Mortgaged Premises and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at Default Rate as defined in Paragraph 39 hereof. In making any payment or securing any performance relating to any obligation of Mortgagor hereunder, Mortgagee shall (as long as it acts in good faith) be the sole judge of the legality, validity and amount of any lien or encumbrance and of all other matters necessary to be determined in satisfaction thereof. No such action of Mortgagee, and no inaction of Mortgagee hereunder, shall ever be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor. All sums paid by Mortgagee for the purposes herein authorized, or authorized by any Loan Document shall be considered additional advances made under the Note and pursuant to this Mortgage and shall be secured by the Mortgage.

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13. Reliance on Tax Bills: 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.

14. Acceleration of Indebtedness in Case of Default: "Event of Default" shall mean the occurrence of any one or more of the events (subject to applicable cure periods if any) defined as an Event of Default in the Loan Agreement, all of which are hereby incorporated by reference herein. Upon the occurrence of an Event of Default, then and in every such case the whole of said principal sum hereby secured shall, at once, at the option of Mortgagee, become immediately due and payable, together with accrued interest thereon, without notice to Mortgagor.

If, while any insurance proceeds or condemnation awards are held by or for Mortgagee to reimburse Mortgagor or any lessee for the costs of repair, rebuilding or restoration of buildings or other improvements on the Land, as set forth in Paragraphs 7 and 20 hereof, Mortgagee shall be or become entitled to accelerate the maturity of the indebtedness, then and in such event, Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by or for it in reduction of the indebtedness, and any excess held by it over the amount of the indebtedness shall be paid to Mortgagor or any party entitled thereof, without interest, as the same appear on the records of Mortgagee.

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## 15. Foreclosure; Expense of Litigation:

A. If an Event of Default has occurred hereunder, or when the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof, and in the event of the default in the payment of any installment due under the Note secured hereby, the owner of the Note may accelerate the payment of same and may institute proceedings to foreclose this Mortgage for the entire amount then unpaid with respect to the Note. In any suit to foreclose the lien hereof, there shall be allowed and included as additional Indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's 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 examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Mortgaged Premises. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of said Mortgaged Premises and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Mortgaged Premises, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate as set forth in Paragraph 39 hereof and shall be secured by this Mortgage.

B. This Mortgage may be foreclosed once against all, or successively against any portion or portions of the Mortgaged Premises, as Mortgagee may elect. This Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by one or any foreclosure or by one or any sale, and may be foreclosed successively and in parts, until all of the Mortgaged Premises have been foreclosed against and sold. Mortgagor waives and relinquishes any and all rights that Mortgagor may have to cause or compel a sale of any part or parcel of the Mortgaged Premises less than the entire Mortgaged Premises.

C. Mortgagee may employ counsel for advice or other legal service at Mortgagee's discretion in connection with any dispute as to the obligations of Mortgagor hereunder, or as to the title of Mortgagee to the Mortgaged Premises pursuant to this Mortgage, or in any litigation to which Mortgagee may be a party which may affect the title to the Mortgaged Premises or the validity of the indebtedness hereby secured, and any reasonable attorneys' fees so incurred shall be added to and be a part of the debt hereby secured. Any costs and expenses reasonably incurred in connection with any other dispute or litigation affecting said debt or Mortgagee's title to the Mortgaged Premises, including reasonably estimated amounts to conclude the transaction, shall be added to and be a part of the indebtedness hereby secured. All such amounts shall be

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payable by Mortgagor to Mortgagee without formal demand, and if not paid, shall be included as a part of the mortgage debt and shall include interest at the Default Rate as set forth in Paragraph 39 hereof from the dates of their respective expenditures.

D. The proceeds of any foreclosure sale of the Mortgaged Premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof; second, on account of all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, on account of all principal and interest remaining unpaid on the Note in the order of priority therein described; and fourth, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

E. After an Event of Default, Mortgagee shall have the right and option to commence a civil action to foreclose the lien of this Mortgage and to obtain an order or judgment of foreclosure and sale subject to the rights of any tenant or tenants of the Mortgaged Premises. The failure to join any tenant or tenants of the Mortgaged Premises as party defendants in any such civil action or the failure of any such order or judgment to foreclose their rights shall not be asserted by Mortgagor as a defense in any civil action instituted to collect the indebtedness secured hereby, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Mortgaged Premises, any statute or rule of law at any time existing to the contrary notwithstanding.

16. 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 shall, upon the election of Mortgagee, appoint a receiver of the Mortgaged Premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Mortgaged Premises or whether the same shall be then occupied as a homestead or not and Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Mortgaged Premises 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 be redemption or not, as well as during any further times when 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 Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands after deducting reasonable compensation for the receiver and his counsel as allowed by the court, in payment (in whole or in part) of any or all of any obligation secured hereby, including without limitation the following, in such order of application as Mortgagee may elect: (i) amounts due upon the Note, (ii) amounts due upon any decree entered in any suit foreclosing this Mortgage, (iii) costs and expenses of foreclosure and litigation upon the Mortgaged Premises; (iv) insurance premiums, repairs, taxes, special assessments, water charges and interest, penalties and costs, in connection with the Mortgaged



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Premises; (v) any other lien or charge upon the Mortgaged Premises that may be or become superior to the lien of this Mortgage, or of any decree foreclosing the same; provided that such application is made prior to foreclosure sale, and (vi) the deficiency in case of a sale and a deficiency.

## 17. Mortgagee's Right of Possession in Case of Default:

A. In any case in which under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, forthwith, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the Mortgaged Premises or any part thereof personally, or by its agents or attorneys, as for condition broken, and Mortgagee in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of the Mortgaged Premises, together with all documents, books, records, papers and accounts of Mortgagor or then owner of the Mortgaged Premises relating thereto, and may exclude Mortgagor, its agents or servants, wholly therefrom and may as attorney in fact or agent of Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the Mortgaged Premises and conduct the business, if any, thereof, either personally or by its agents, contractors or nominees and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues and profits of the Mortgaged Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor, and with full power: (i) to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (ii) to elect to disaffirm any lease or sublease made subsequent to this Mortgage or subordinated to the lien hereof; (iii) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Premises, including completion of construction in progress, as to it may seem judicious; (iv) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; (v) to employ watchmen to protect the Mortgaged Premises; (vi) to continue any and all outstanding contracts for the erection and completion of improvements to the Mortgaged Premises; (vii) to make and enter into any contracts and obligations wherever necessary in its own name, and to pay and discharge all debts, obligations and liabilities incurred thereby, all at the expense of Mortgagor; (viii) to receive all avails, rents, issues, profits and proceeds therefrom and to perform such other acts in connection with the management and operation of the Mortgaged Premises as Mortgagee, in its discretion, may deem proper; and (ix) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, or for options to lessees to extend or renew terms to expire beyond the

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date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Mortgage indebtedness, satisfaction of any foreclosure decree or issuance of any certificate of sale or deed to any purchaser.

B. Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases, and Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should Mortgagee incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand.

18. Application of Income Received by Mortgagee: Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it by Paragraph 12 and Paragraph 17 hereof, shall have full power to use and apply the avails, rents, issues and profits of the Mortgaged Premises to the payment of or on account of the following, in such order as Mortgagee may determine: (a) to the payment of the operating expenses of the Mortgaged Premises including cost of management and leasing thereof (which shall include reasonable compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized; (b) to the payment of taxes and special assessments now due or which may hereafter become due on the Mortgaged Premises; (c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Mortgaged Premises, and of placing said property in such condition as will, in the judgment of Mortgagee, make it readily rentable or the Units thereof readily saleable; and (d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

19. Access by Mortgagee: Mortgagor will at all times deliver to Mortgagee duplicate originals or certified copies of all leases, agreements and documents relating to the Mortgaged Premises and shall permit access by Mortgagee to its books and records, reports, tenant registers, insurance policies and other papers for examination and making copies and extracts thereof. Mortgagee, its agents and designees shall have the right to inspect the Mortgaged Premises at all reasonable times and access thereto shall be permitted for that purpose.

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20. Condemnation: Mortgagor hereby assigns, transfers and sets over unto Mortgagee its entire interest in the proceeds (hereinafter referred to as the "Condemnation Proceeds") of any award or any claim for damages for any of the Mortgaged Premises taken or damaged under the power of eminent domain or by condemnation or any action in lieu of condemnation (hereinafter referred to as "Condemnation"). Mortgagor hereby empowers Mortgagee, in Mortgagee's sole discretion, and at its election to settle, compromise and adjust any and all claims or rights arising under any Condemnation relating to the Mortgaged Premises or any portion thereof. Mortgagor shall so settle, compromise and adjust such claims or rights in the event Mortgagee does not elect to do so as provided above. Nothing contained in this Mortgage shall create any responsibility or obligation on Mortgagee to collect any amount owing due to any Condemnation or to rebuild, repair or replace any portion of the Mortgaged Premises or any improvements thereon or to perform any act hereunder. Mortgagee may elect to apply the Condemnation Proceeds upon or in reduction of the indebtedness secured hereby, whether due or not, or to require Mortgagor to restore or rebuild, in which event the Condemnation Proceeds shall be held by Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoring of buildings or improvements on the Mortgaged Premises, in accordance with plans and specifications to be submitted to and approved by Mortgagee. Notwithstanding the foregoing, if Mortgagor is obligated to restore or replace the damaged or destroyed buildings or improvements under the terms of any lease or leases which are or may be prior to the lien of this Mortgage and if such taking does not result in cancellation or termination of such lease, the Condemnation Proceeds shall first be used to reimburse Mortgagor for the cost of rebuilding or restoring of buildings or improvements on the Mortgaged Premises, provided no Event of Default then exists under this Mortgage. In the event Mortgagor is required or authorized, by Mortgagee's election as aforesaid, to rebuild or restore, the Condemnation Proceeds shall be paid out in the same manner as is provided in Paragraph 7 hereof for the payment of insurance proceeds toward the cost of rebuilding or restoration. If the amount of the Condemnation Proceeds is insufficient to cover the cost of rebuilding or restoration, Mortgagor shall pay such cost in excess of the award, before being entitled to reimbursement out of the award. Any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall, at the option of Mortgagee, be applied on account of the indebtedness secured hereby or be paid to any other party entitled thereto. Notwithstanding the foregoing, Mortgagee shall make the Condemnation Proceeds available to Mortgagor upon the satisfaction of the conditions set forth in the Loan Agreement.

21. Release Upon Payment and Discharge of Mortgagor's Obligations: Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness and other obligations secured hereby and upon payment of a reasonable fee to Mortgagee for preparation of any necessary instruments.

22. Notices: Any notice, demand, request or other communication desired to be given or required pursuant to the terms hereof shall be in writing and shall be delivered by personal service or sent by registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight express courier,

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freight prepaid, addressed as follows or to such other address as the parties hereto may designate in writing from time to time:

If to Mortgagee:

Citizens National Bank  
c/o JGS Investments, LLC  
2215 York Road, Suite 414  
Oak Brook, Illinois 60523  
Attn: David C. Neilson

with a copy to:

WILDMAN, HARROLD, ALLEN & DIXON LLP  
225 West Wacker Drive, Suite 3000  
Chicago, Illinois 60606-1229  
Attention: Todd A. Bickel

If to Mortgagor:

c/o Kluever & Platt, LLC  
65 E. Wacker Place, Suite 2300  
Chicago, Illinois 60601  
Attention: David C. Kluever

Any such notice, demand, request or other communication shall be deemed given when personally delivered or if mailed three days after deposit in the mail or if delivered by a nationally recognized overnight express courier, freight prepaid, the next business day after delivery to such courier.

23. Waiver of Defense: No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note.

24. Waiver of Statutory Rights: Mortgagor shall not and will not apply for or avail itself of any appraisalment, 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. 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 Premises marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Premises sold as an entirety. Mortgagor hereby waives any and all rights of redemption.

25. Maintenance of Mortgagor's Existence: So long as any part of the Note remains unpaid, Mortgagor shall maintain its existence and shall not merge into or consolidate with any other corporation, firm, joint venture or association; nor convey, transfer, lease or otherwise dispose of all or substantially all of its property, assets or

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business; nor assume, guarantee or become primarily or contingently liable on any indebtedness or obligation of any other person, firm, joint venture or corporation, without prior written consent from Mortgagee.

26. Mortgagor's Additional Covenants: Mortgagor further covenants and agrees with Mortgagee, its successors and assigns as follows:

26.1 Except for taxes and assessments to be paid by Mortgagor pursuant to Paragraph 3 of this Mortgage, Mortgagor will not create or suffer or permit to be created, subsequent to the date of this Mortgage, any lien or encumbrance which may be or become superior to any lease affecting the Mortgaged Premises; and

26.2 In the event of the happening of any casualty, of any kind or nature, ordinary or extraordinary, foreseen or unforeseen (including any casualty for which insurance was not obtained or obtainable) resulting in damage to or destruction of the Mortgaged Premises or any part thereof, Mortgagor will give notice thereof to Mortgagee, and will promptly, at Mortgagor's sole cost and expense (whether or not there are sufficient and available insurance proceeds), commence and diligently continue to restore, replace, repair or rebuild the Mortgaged Premises to be of at least equal value and substantially the same character and condition as prior to such casualty; provided, however, that if Mortgagee has elected to apply insurance loss proceeds toward payment of the mortgage indebtedness as provided for in this Mortgage, the provisions of this Paragraph 26.2 shall not apply.

26.3 Mortgagor will not commit or permit any waste on the Mortgaged Premises and, except pursuant to the demolition work as set forth in the Loan Agreement, will keep the buildings, fences and other improvements now or hereafter erected on the Mortgaged Premises in sound condition and in good repair and free from mechanic's liens or other liens or claims for liens not expressly subordinate to the lien hereof, and will neither do nor permit to be done anything to the Mortgaged Premises that may impair the value thereof; and Mortgagee shall have the right of entry upon the Mortgaged Premises at all reasonable times for the purpose of inspecting the same.

26.4 Except for the demolition work as set forth in the Loan Agreement, no building or other property now or hereafter covered by the lien of this Mortgage shall be removed, demolished or materially altered, without the prior written consent of Mortgagee, except that Mortgagor shall have the right to remove and dispose of, free from the lien of this Mortgage, such equipment as from time to time may become worn out or obsolete, provided that either (i) simultaneously with or prior to such removal any such equipment shall be replaced with other equipment of a value at least equal to that of the replaced equipment and free from any title retention or security agreement or other encumbrances, and by such removal and replacement Mortgagor shall be deemed to have subjected such equipment to the lien of this Mortgage, or (ii) any net cash proceeds received from such disposition shall be paid over promptly to Mortgagee to be applied to the last installments due on the indebtedness secured, without any charge for prepayment.

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26.5 Mortgagor will pay all utility charges incurred in connection with the Mortgaged Premises and all improvements thereon and maintain all utility services now or hereafter available for use at the Mortgaged Premises.

26.6 Mortgagor will at all times fully comply with and cause the Mortgaged Premises and the use and condition thereof to fully comply with all federal, state, county, municipal, local and other governmental statutes, ordinances, requirements, regulations, rules, orders and decrees of any kind whatsoever that apply or relate thereto, and will observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits, privileges, franchises and concessions (including, without limitation, those relating to land use and development, landmark preservation, construction, access, water rights, use, noise and pollution) which are applicable to Mortgagor or the Mortgaged Premises.

26.7 Mortgagor shall within fifteen (15) days after a written request by Mortgagee furnish from time to time a signed statement setting forth the amount of the obligation secured hereby and whether or not any Event of Default, offset or defense then is alleged to exist against the same and, if so, specifying the nature thereof.

26.8 Mortgagor will, for the benefit of Mortgagee, fully and promptly perform each material obligation and satisfy each material condition imposed on it under any contract relating to the Mortgaged Premises, or other agreement relating thereto, so that there will be no default thereunder and so that the persons (other than Mortgagor) obligated thereon shall be and remain at all times obligated to perform for the benefit of Mortgagee; and Mortgagor will not permit to exist any condition, event or fact which could allow or serve as a basis or justification for any such person to avoid such performance.

26.9 Mortgagor will pay all filing, registration, recording and search and information fees, and all expenses incident to the execution and acknowledgement of this Mortgage and all other documents securing the indebtedness secured hereby and all federal, state, county and municipal taxes, other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery, filing, recording or registration of the indebtedness secured hereby, this Mortgage and all other documents securing the indebtedness secured hereby and all assignments thereof.

26.10 Mortgagor covenants that the proceeds of the indebtedness secured hereby will not be used for the purchase or carrying of registered equity securities within the purview and operation of Regulation G issued by the Board of Governors of the Federal Reserve System.

26.11 Whenever provision is made herein for the approval, satisfaction or consent of Mortgagee, or that any matter be to Mortgagee's satisfaction, unless specifically stated to the contrary, such approval or consent shall be at Mortgagee's sole discretion.

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## 27. Usury Laws, Etc.

27.1 Mortgagor represents and agrees that the proceeds of the Note will be used for the purposes specified in the Loan Agreement.

27.2 If from any circumstances whatever fulfillment of any provision of this Mortgage or the Note at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by applicable usury statute or any other law, then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, and paid according to the provisions of the Note, so that in no event shall any exaction be possible under this Mortgage or the Note that is in excess of the limit of such validity, but such obligation shall be fulfilled to the limit of such validity. In no event shall Mortgagor, its successors or assigns, be bound to pay for the use, forbearance or detention of the money loaned and secured hereby interest of more than the legal limit, and the right to demand any such excess shall be and hereby is waived. The provisions of this paragraph shall control every other provision of this Mortgage and the Note.

28. Binding on Successors and Assigns; Gender: This Mortgage and all provisions hereof shall extend to and be binding upon Mortgagor, its successors, vendees and assigns and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage. The word "Mortgagee" when used herein shall include the successors, vendees and assigns of Mortgagee named herein, and the holder or holders, from time to time, of the Note. Wherever used, the singular number shall include the plural and the plural the singular, and the use of any gender shall be applicable to all genders.

29. Captions: The captions and headings of various paragraphs of this Mortgage are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

30. Severability: In the event any of the provisions contained in this Mortgage or in any other Loan Documents shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of Mortgagee, not affect any other provision of this Mortgage, the obligations secured hereby or any other Loan Document and same shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein and therein. This Mortgage has been executed and delivered at Chicago, Illinois and shall be construed in accordance therewith and governed by the laws of the State of Illinois.

31. No Liability on Mortgagee: Notwithstanding anything contained herein, Mortgagee shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor, whether hereunder, under any of the leases affecting the Mortgaged Premises, under any contract relating to the Mortgaged Premises or otherwise, and Mortgagor shall and does hereby agree to indemnify against and hold Mortgagee harmless of and from: (i) any

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and all liability, loss or damage which Mortgagee may incur under or with respect to any portion of the Mortgaged Premises or under or by reason of its exercise of rights hereunder; and (ii) any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in any of the contracts, documents or instruments affecting any portion of the Mortgaged Premises or affecting any rights of Mortgagor thereto; provided, however, the foregoing indemnity shall not extend to claims or demands arising solely out of Mortgagee's gross negligence or intentional misconduct. Mortgagee shall not have responsibility for the control, care, management or repair of the Mortgaged Premises or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Premises resulting in loss or injury or death to any tenant, licensee, employee, stranger or other person. No liability shall be enforced or asserted against Mortgagee in its exercise of the powers herein granted to it, and Mortgagor expressly waives and released any such liability. Should Mortgagee incur any such liability, loss or damage under any of the leases affecting the Mortgaged Premises or under or by reason hereof or in the defense of any claims or demands, Mortgagor agrees to reimburse Mortgagee immediately upon demand for the full amount thereof, including costs, expenses and attorneys' fees.

32. Mortgagor not a Joint Venturer or Partner. Mortgagor and Mortgagee acknowledge and agree that in no event shall Mortgagee be deemed to be a partner or joint venturer with Mortgagor or any beneficiary of Mortgagor. Without limitation of the foregoing, Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the indebtedness secured hereby, or otherwise.

33. Defeasance Clause: If Mortgagor pays to Mortgagee said principal sum and all other sums payable by Mortgagor to Mortgagee as are hereby secured, in accordance with the provisions of the Note and in the manner and at the times therein set forth, without deduction, fraud, or delay, then and from thenceforth this Mortgage, and the estate hereby granted, shall cease and become void, anything herein contained to the contrary notwithstanding.

34. Flood Insurance: If the Mortgaged Premises are now or hereafter located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (the Act), Mortgagor will keep the Mortgaged Premises covered for the term of the Note by flood insurance up to the maximum limit of coverage available under the Act.

35. Mortgagee's Right to Exercise Remedies: The rights and remedies of Mortgagee as provided in the Note, in this Mortgage, in any other Loan Document or available under applicable law, shall be cumulative and concurrent and may be pursued separately, successively or together against Mortgagor or against other obligors, if any, or against the Mortgaged Premises, or against any one or more of them, at the sole



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discretion of Mortgagee, and may be exercised as often as occasion therefor shall arise. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof. No delay or omission of Mortgagee to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. Nothing in this Mortgage or in the Note shall affect the obligation of Mortgagor to pay the principal of, and interest on, the Note in the manner and at the time and place therein respectively expressed.

36. Incorporation of Riders, Exhibits and Addenda: All riders, exhibits and addenda attached to this Mortgage are by express and specific reference incorporated in and made a part of this Mortgage; and with the proviso that the covenants contained in each of said riders, exhibits and addenda, and the other things therein set forth shall have the same force and effect as any other covenant or thing herein expressed.

37. Subrogation: To the extent that Mortgagee, on or after the date hereof, pays any sum due under any provision or law or any instrument or document creating any lien prior or superior to the lien of this Mortgage, or Mortgagor or any other person pays any such sum with the proceeds of the loan secured hereby, Mortgagee shall have and be entitled to a lien on the mortgaged Premises equal in priority to the lien discharged, and Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit Mortgagee in securing the indebtedness secured hereby. Mortgagee shall be subrogated, notwithstanding their release of record, to the lien of all mortgages, trust deeds, superior titles, vendors' liens, liens, charges, encumbrances, rights and equities on the Mortgaged Premises, to the extent that any obligation under any thereof is directly or indirectly paid or discharged with proceeds of disbursements or advances under the Note or any Loan Document.

38. Mortgagee's Lien for Service Charge and Expenses: At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures (in addition to any loan proceeds disbursed from time to time) the payment of any and all loan commissions, service charges, liquidated damages, expenses (with the exception of those relating to appraisals and Mortgagee's attorney's fees) and all advances due to or incurred by Mortgagee in connection with the loan to be secured hereby.

39. Default Rate: The term "Default Rate" when used in this Mortgage shall be defined to mean the applicable Default Rate set forth in the Note.

40. Security Agreement: This Mortgage shall be deemed a Security Agreement as defined in the Illinois Uniform Commercial Code. This Mortgage creates a security interest in favor of Mortgagee in all property including all personal property, fixtures and goods affecting property either referred to or described herein or in anyway connected with the use or enjoyment of the Mortgaged Premises. The remedies for any violation of the covenants, terms and conditions of the agreements herein contained

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shall be (i) as prescribed herein, or (ii) by general law, or (iii) as to such part of the security which is also reflected in any Financing Statement filed to perfect the security interest herein created, by the specific statutory consequences now or hereinafter enacted and specified in the Illinois Uniform Commercial Code, all at Mortgagee's sole election. Mortgagor and Mortgagee agree that the filing of such a Financing Statement in the records normally having to do with personal property shall never be construed as in anywise derogating from or impairing this declaration and the hereby stated intention of the parties hereto, that everything used in connection with the production of income from the Mortgaged Premises and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Mortgagee, or (iii) any such item is referred to or reflected in any such Financing Statement so filed at any time. Similarly, the mention in any such Financing Statement of (1) the rights in or the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) the debtor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Mortgaged Premises, whether pursuant to lease or otherwise, shall never be construed as in anywise altering any of the rights of Mortgagee as determined by this instrument or impugning the priority of Mortgagee's lien granted hereby or by any other recorded document, but such mention in the Financing Statement is declared to be for the protection of Mortgagee in the event any court or judge shall at any time hold with respect to (1), (2) and (3) that notice of Mortgagee's priority of interest to be effective against a particular class of persons, including, but not limited to, the Federal government and any subdivisions or entity of the Federal government, must be filed in the Commercial Code records.

Notwithstanding the aforesaid, Mortgagor covenants and agrees that so long as any balance remains unpaid on the Note, it will execute (or cause to be executed) and delivered to Mortgagee, such renewal certificates, affidavits, extension statements or other documentation in proper form, so as to keep perfected the lien created by any Security Agreement and Financing Statement given to Mortgagee by Mortgagor, and to keep and maintain the same in full force and effect until the entire principal indebtedness and all interest to accrue thereunder has been paid in full; with the proviso that the failure of the undersigned Mortgagor to so do shall constitute an Event of Default hereunder.

#### 41. Prohibition of Transfers.

41.1 Except as permitted under Section 41.2 hereof, Mortgagor shall not, without the prior written consent of Mortgagee, create, consent to, suffer or permit any Prohibited Transfer, as defined hereinbelow, nor enter into any agreement for any Prohibited Transfer. Any conveyance, sale, assignment, transfer, lease, lien, pledge, mortgage, security interest or other encumbrance or alienation of any of the following rights, properties or interests, or attempt to do any of the foregoing (a "Transfer"), or the

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execution of any contract to perform any such Transfer, without Mortgagee's prior written consent shall constitute a Prohibited Transfer hereunder:

41.1.1 Any right, title or interest of Mortgagor in the Mortgaged Premises or any part thereof;

41.1.2 any membership or ownership units in a limited liability company that is Mortgagor or a member of Mortgagor or in any limited liability company which is a direct or indirect owner or beneficiary of Mortgagor or any change in the management committee or manager of such limited liability company; or

41.1.3 any right, property or interest, the Transfer of which would constitute an Event of Default under this Mortgage or any of the other Loan Documents, in each case whether any such Transfer is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided, however, that the foregoing provisions of this Section 41.1 shall not apply to liens securing the Loan, or to the lien of current taxes and assessments not in default.

41.2 Notwithstanding the above, Mortgagee shall permit transfers by members of Mortgagor to their spouses, respective lineal ancestors, descendants, or a trust or trusts, established by or for the benefit of any such spouses, ancestors or descendants or to other members subject to John R. Burns and/or David C. Kluever retaining control of Mortgagor. Each transfer permitted under this paragraph is subject to the condition that at the time of each such transfer there is no Event of Default under this Mortgage or any of the Loan Documents and no event or occurrence which, with the passage of time or giving of notice, or both, would constitute an Event of Default. "Control" for the purposes hereof shall be defined as the right to direct the management and policies of Mortgagor, without veto rights or approval rights in any other person, and under circumstances where John R. Burns and David C. Kluever may not be removed from Control except upon (i) being adjudged guilty of gross negligence, willful misconduct or fraud by a court of competent jurisdiction; or (ii) death or long-term disability. If any of these conditions are violated, the Loan is callable at Mortgagee's option.

42. No Oral Modifications: This Mortgage may not be modified, amended, discharged or waived orally, except by an agreement in writing and signed by the party against whom enforcement of any such modification, amendment, discharge or waiver is sought. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Mortgage, the exhibits annexed hereto and the Loan Documents and other instruments and documents referred to herein, which alone fully and completely express their agreements, and that Mortgagor is not relying upon any statement or representation, not embodied in this Mortgage or the Loan Documents and other instruments and documents referred to herein, made by Mortgagee. Mortgagor expressly acknowledges that, except as expressly provided in this Mortgage or the Loan Documents and other instruments and documents referred to herein, Mortgagee and the agents and representatives of Mortgagee have not made, and Mortgagee is not liable for or bound in any manner by,

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any express or implied warranties, guaranties, promises, statements, inducements, representations or information pertaining to the transactions contemplated hereby.

43. Furnishing of Financial Statements to Mortgagee: Mortgagor covenants and agrees to furnish to Mortgagee such financial statements as may be required under the Loan Agreement.

44. Permitted Contests. Mortgagor covenants and agrees that it will not suffer nor permit any mechanic's lien claims to be filed or otherwise asserted against the Mortgaged Premises or will pay the same in case of the filing of any claims for lien or proceedings for the enforcement thereof, and will pay all special assessments that are placed for collection and all real estate taxes and assessments of every kind (regardless of whether the same are payable in installments) upon the Mortgaged Premises, before the same become delinquent. Notwithstanding the foregoing, however, Mortgagor shall have the right to contest in good faith and with reasonable diligence the validity of any such lien, claim, tax or assessment, provided that if Lender so requests, the Mortgagor shall furnish Mortgagee with a bond or other security satisfactory to Mortgagee in a sufficient amount, in Mortgagee's reasonable judgment, to pay in full such contested lien, claim, tax or assessment and all penalties and interest that might become due thereon. If Mortgagor fails promptly either to discharge or to contest claims, taxes, or assessments asserted or give security or indemnity in the manner provided herein, then Mortgagor may (but shall not be required to) procure the release and discharge of any such claim and any judgment or decree thereon and in its sole discretion effect any settlement or compromise of the same, without any inquiry into the validity thereof. Any amounts so expended by Mortgagor, including premiums paid or security furnished in connection with the issuance of any surety bonds, shall be deemed to constitute an advance of the Loan and shall be included in the indebtedness owed by Mortgagor to Mortgagee under the Note. Alternatively, the Mortgagor at its sole cost and expense may establish such title indemnity accounts with the title company which has provided the lender's policy of title insurance to Mortgagee as may be required by said company to insure Mortgagee to its satisfaction against any loss or damage resulting from any claims for lien or unpaid taxes or assessments.

45. Performance of Obligations under Loan Agreement: The proceeds of the Construction Loan are to be disbursed by Mortgagee to Mortgagor in accordance with the provisions contained in that certain Loan Agreement dated of even date herewith (herein referred to as the "Loan Agreement") by and between Mortgagor and Mortgagee, dated concurrently herewith. All advances and Indebtedness arising and accruing under the Loan Agreement from time to time shall be secured hereby to the same extent as though the terms and provisions of the Loan Agreement were fully incorporated in this Mortgage and the occurrence of any "Event of Default" or any other default under the Loan Agreement shall constitute an Event of Default under this Mortgage entitling Mortgagee to all of the rights and remedies conferred upon Mortgagee by the terms of this Mortgage or by law, as in the case of any other Event of Default.

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In connection with the Loan Agreement and the disbursements of the Loan secured by the lien created by this Mortgage, Mortgagor hereby covenants and agrees as follows:

(a) That Mortgagor will comply (or will cause compliance) with each and all of the covenants of the Loan Agreement.

(b) That the provisions set forth in the Loan Agreement are incorporated herein by express reference, with the further proviso that an Event of Default or other default by any party to the Loan Agreement other than Mortgagee in any of the terms therein contained, after due notice given as therein required, shall be and constitute an Event of Default under this Mortgage, and in consequence thereof Mortgagee may declare the entire debt secured hereby to be immediately due and payable, or may pursue any right, remedy or recourse reserved herein (or in the Loan Agreement) for default or condition broken;

(c) That all sums advanced under the Loan Agreement, from time to time, shall be secured hereby as if said advances were made pursuant to the terms and conditions of this Mortgage; and

(d) That in case of a conflict or contradiction between any of the terms and conditions of this Mortgage and those contained in the Loan Agreement, those contained in the Loan Agreement shall govern the issue in question.

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

JAMES EQUITIES LAND FUND I, LLC, an Illinois limited liability company

By: James Equities, Inc., an Illinois Corporation, its Manager

By:   
John R. Burns, its President

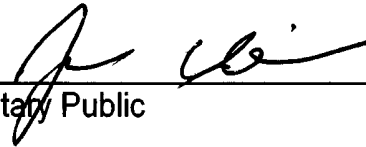
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STATE OF ILLINOIS     )  
                                  )  
COUNTY OF COOK     )     SS.

I, Jason Erlich, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT John R. Burns, being the President of James Equities, Inc., the Manager of James Equities Land Fund I, LLC, and who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such 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 their 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 31 day of July, 2007.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:



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## EXHIBIT A

### LEGAL DESCRIPTION

[SEE LEGAL DESCRIPTION ATTACHED]

Property of Cook County, Illinois

together with (i) any and all buildings and structures and improvements, and any and all additions, alterations, betterments or appurtenances thereto, now or at any time hereafter situated, placed or constructed upon the property ("Property") legally described above or any part thereof, and all rights, titles and interest appurtenant thereto, together with all right, title and interest of Mortgagor in and to all fixtures, furniture, furnishings, and all other personal property of any kind or character, temporary or permanent, now or hereafter located upon, within or about the Mortgaged Premises which are necessary for the operation of the Mortgaged Premises, (excluding personal property owned by tenants in possession), together with any and all accessions, replacements, substitutions, and additions thereto or therefor and the proceeds thereof and all goodwill, trademarks, tradenames, option rights, purchase contracts and agreements, books and records and general intangibles of Mortgagor relating to the Property and Mortgaged Premises and all accounts, accounts receivable, contract rights, choses in action, instruments, chattel paper and other rights of Mortgagor for payment of money relating to the Property and Mortgaged Premises and any other intangible property of Mortgagor related to the Property and Mortgaged Premises, including without limitation any and all rights of Mortgagor in, to or with respect to any and all accounts maintained with Mortgagee or any other party in which are held funds relating to all real estate and personal property taxes, water, gas, sewer, electricity, and other utility rates and charges, charges for any easement, license or agreement maintained for the benefit of the Mortgaged Premises, and all other liens with respect thereto, of any kind and nature whatsoever which at any time prior to or after the execution hereof may be assessed, levied or imposed upon the Mortgaged Premises or the rents, issues and profits or the ownership, use, occupancy or enjoyment thereof,



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insurance premiums, or tenants' security deposits with respect to the Property and Mortgaged Premises and all of Mortgagor's right, title and interest in and to all of the rents, issues, revenues, royalties, income, avails, proceeds, profits and other benefits paid or payable by parties under any and all leases, subleases, licenses, concessions or other agreements (written or oral, now or hereafter in effect) which grant occupancy, a possessory interest in and to, or the right to use the Property and Mortgaged Premises or any part thereof or interest therein, and all rights, privileges, authority and benefits of Mortgagor or the landlord under such leases (but under no circumstances any liabilities, obligations or responsibilities thereunder) or otherwise generated by or derived from the Property and Mortgaged Premises and Mortgagor's rights to any and all documents, instruments, contracts or agreements pertaining to the ownership, use, occupancy, possession, development, design, construction, financing, operation, alteration, repair, marketing, sale, lease or enjoyment of the Property and Mortgaged Premises, including without limitation any contracts for labor or materials, purchase orders, service contracts, maintenance agreements, management contracts, lease agency agreements, sales agency agreements, marketing contracts, loan or financing commitments, and payment, performance or surety bonds, and all rights, privileges, authority and benefits thereunder (but under no circumstances any liabilities, obligations or responsibilities thereunder) (ii) any and all rights, privileges, authority and benefits under any option, articles of agreement for deed, installment contract or other contract or agreement pursuant to which Mortgagor is granted any possessory, legal, equitable, beneficial or other interest in the Property and Mortgaged Premises; (iii) any and all rights, privileges, tenements, hereditaments, rights of way, rights of access, riparian rights, mineral rights, homestead rights, easements, appendages and appurtenances in any way appertaining thereto, and all right, title and interest of Mortgagor in and to any streets, ways, alleys, waterways, strips or gores of land adjoining the Property or any part thereof; (iv) any and all betterments, additions, appurtenances, substitutions, replacements and after acquired title or interests in the Property and Mortgaged Premises and all reversions and remainders therein; and (v) any and all of Mortgagor's right, title and interest in and to any judgment, award, remuneration, settlement, compensation, recovery or proceeds heretofore made or hereafter to be made by any governmental authority or insurance company to the present or any subsequent owner of the Property and Mortgaged Premises, including those for any condemnation of or casualty to the Property and Mortgaged Premises, or for any vacation of, or change of grade in, any streets serving or affecting the Property and Mortgaged Premises.

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## EXHIBIT A

### LEGAL DESCRIPTION

Legal Description: Parcel 1: (1490014)

**Parcel 1:**

Lots 22, 23, 24, 28, 29, 30 and 31 in Block 4 in C.E. Wooley's Subdivision of the 7.5 acres East and adjoining the West 17.5 acres of the Northeast Quarter of Section 36, Township 40 North, Range 13, East of the Third Principal Meridian, and of Lots 19, 20 and 21 in Block 4 in Subdivision of 7.5 acres East and adjoining the West 10 acres of the Northeast Quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, lying North of the Milwaukee Plank Road in Cook County, Illinois.

**Parcel 2:**

The Southeasterly 1 foot of Lot 20 and all of Lot 21, also that part of the 20 foot alley (now vacated) Northeasterly of and adjoining the said Southeasterly 1 foot of Lot 20 and all of Lot 21 and lying Southwesterly of the center line of said 20 foot alley and Westerly of the East line of Lot 46 extended South to its intersection with the Southeasterly line of said Lot 21 extended Northeasterly all in Block 4 in C. E. Wooley's Subdivision of the 7.5 acres East and adjoining the West 17.5 acres of the Northeast Quarter of Section 36, Townshp 40 North, Range 13, East of the Third Principal Meridian, and of Lots 19, 20 and 21 in Block 4 in Subdivision of 7.5 acres East and adjoining the West 10 acres of the Northeast Quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, lying North of the Milwaukee Plank Road in Cook County, Illinois.

**Parcel 3 (1558129)**

Lots 25 and 26 in Block 4 in C.E. Wooley's Subdivision of 7.5 acres East and adjoining the West 17.5 acres of the Northeast Quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, and of Lots 19, 20 and 21 in Block 4 of Subdivision of 7.5 acres East and adjoining the West 10 acres of the Northeast Quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian lying North of Milwaukee Plank Road in Cook County, Illinois.

**Parcel 4(1499594)**

Lot 27 in Block Number 4 in C.E. Wooley's Subdivision of the 7 and One Half acres East and adjoining the West 17 and One Half acres of the Northeast Quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, together with Lots 19, 20 and 21 in Block 4 in C.E. Wooley's Subdivision of 7 and One Half acres East and adjoining the West 10 acres of the Northeast Quarter of Section 36, aforesaid lying North of Milwaukee Avenue in Cook County, Illinois.

Permanent Index #'s: 13-36-215-038 and 13-36-215-037 and 13-36-215-039 and 13-36-215-044-0000

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EXHIBIT A

LEGAL DESCRIPTION

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PERMANENT INDEX NOS.: 10-23-300-015 AND 10-23-301-003

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## EXHIBIT B

### PERMITTED TITLE EXCEPTIONS

1. Real Estate Taxes for 2007 and subsequent years not yet due or payable.
2. Store Lease with Philip Welch d/b/a K.A. Vogel & Sons, Inc., as Tenant for a term beginning February 7, 2007 and ending January 31, 2008.
3. Matters disclosed by survey dated April 19, 2007 by Douglas L. Rood, Illinois Professional Land Surveyor No. 1920 as follows:
  - a. Possible unrecorded easements for utilities under, across and upon the land for utilities and/or drainage.
  - b. Encroachments by the building upon the public right of way to the southwest and the northeast as shown on the survey.
  - c. Encroachment upon the public right of way to the east by the fence appurtenant to the insured premises, as shown on the survey.

Property of Cook County Clerk's Office