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Cook County Recorder 67.00

**THIS DOCUMENT
PREPARED BY AND
AFTER RECORDING
RETURN TO:**

Jeffrey N. Owen
Rudnick & Wolfe
Suite 1800
203 North LaSalle Street
Chicago, Illinois 60601



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**PURCHASE MONEY MORTGAGE
WITH COLLATERAL ASSIGNMENT OF RENTS AND LEASES
(2100 ELSTON LAND L.L.C.)**

This Purchase Money Mortgage with Collateral Assignment of Rents (the "Mortgage") is made as of October 30, 1998, by 2100 ELSTON LAND L.L.C., an Illinois limited liability company, having an address at 1158 West Armitage, Chicago, Illinois 60614 (the "Borrower"), to KLEINLIB LIMITED PARTNERSHIP, an Illinois limited partnership, having an address at 1950 North Elston Avenue, Suite 200, Chicago, Illinois 60622 (the "Lender").

Borrower has executed and delivered to Lender a Purchase Money Mortgage Note (the "Vacant Land Note") of even date herewith payable to the order of Lender in the original principal sum of Four Hundred Seventy Five Thousand and No/100 Dollars (\$475,000.00), bearing interest and payable as set forth in the Vacant Land Note, and due on October 29, 2001 (the "Vacant Land Note Maturity Date"). 2100 Elston Building L.L.C., an Illinois limited liability company ("2100 Building LLC") an affiliate of Borrower, has executed and delivered to Lender a Purchase Money Mortgage Note (the "Building Note") of even date herewith payable to the order of Lender in the principal sum of Four Hundred Twenty Thousand and No/100 (\$420,000.00) bearing interest and payable as set forth in the Building Note, and due on March 1, 1999 (the "Building Note Maturity Date"), which is secured by a Purchase Money Mortgage of even date given to lender (the "Building Purchase Money Mortgage").

In order to secure the payment of the principal indebtedness under both the Vacant Land Note and the Building Note and interest and premiums on the principal indebtedness under both the Vacant Land Note and the Building Note (and all replacements, renewals and extensions thereof,

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in whole or in part) according to its tenor, and to secure the payment of all other sums which may be at any time due under both the Vacant Land Note and the Building Note or this Mortgage (collectively sometimes referred to herein as "Indebtedness"); and to secure the performance and observance of all the provisions contained in this Mortgage or the Vacant Land Note or the Building Note, and to charge the properties, interests and rights hereinafter described with such payment, performance and observance, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower DOES HEREBY MORTGAGE AND CONVEY unto Lender, its successors and assigns forever, the following described property, rights and interests (which are referred to herein as the "Premises"), all of which property, rights and interests are hereby pledged primarily and on a parity with the Land (as hereinafter defined) and not secondarily:

THE LAND located in the State of Illinois (the "Land") and legally described on Exhibit A attached hereto,

TOGETHER WITH any improvements of every nature hereafter situated on the Land (the "Improvements");

TOGETHER WITH all easements, rights of way, streets, ways, alleys, passages, appurtenant rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way now or hereafter belonging, relating or appertaining to the Land, and the reversion, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, in and to the same;

TOGETHER WITH all income from the Premises to be applied against the Indebtedness; provided, however, that Borrower, so long as no Default has occurred hereunder, may collect income and other benefits as it becomes due, but not more than three (3) months in advance thereof;

TOGETHER WITH all interest of Borrower in all leases now or hereafter on the Premises, whether written or oral (the "Leases"), together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission hereinabove given to Borrower to collect the rentals under any such Lease; and

TOGETHER WITH all proceeds of the foregoing, including, without limitation, all judgments, awards of damages and settlements hereafter made resulting from condemnation proceeds or the taking of the Premises or any portion thereof under the power of eminent domain, subject to the right of offset provided in the Vacant Land Note, any proceeds of any policies of insurance maintained with respect to the Premises or proceeds of any sale, option or contract to sell the Premises or any portion thereof.

TO HAVE AND TO HOLD the Premises, unto the Lender, its successors and assigns, forever, for the purposes herein set forth together with all right to possession of the Premises after

the occurrence of any Default as hereinafter defined; Borrower hereby RELEASING AND WAIVING all rights under and by virtue of the homestead exemption laws of the State of Illinois.

BORROWER COVENANTS that it is lawfully seized of the Land, and that it has lawful authority to mortgage the same, and that it will warrant and defend title to the Land and the quiet and peaceful possession of the same against the lawful claims of any persons claiming by, through or under Borrower, subject only to the permitted exceptions set forth on Exhibit B.

PROVIDED, NEVERTHELESS, that if Borrower shall pay in full when due the Indebtedness and shall timely perform and observe all of the provisions herein and in the both the Vacant Land Note and the Building Note provided to be performed and observed by Borrower, then this Mortgage and the interest of Lender in the Premises shall cease and become void, but shall otherwise remain in full force.

BORROWER FURTHER AGREES AS FOLLOWS:

1. **Payment of Indebtedness and Performance of Covenants.** Borrower shall (a) pay the Indebtedness when due; and (b) punctually perform and observe all of the requirements of both the Vacant Land Note and the Building Note and this Mortgage.

2. **Compliance with Law, Use, etc.** Borrower shall (a) keep the Premises free from waste; (b) pay all costs of the Premises; (c) comply with all requirements of law relating to the Premises and the use thereof; (d) comply with any restrictions of record with respect to the Premises; and (e) cause the Premises to be managed in a competent manner. Borrower shall not cause, suffer or permit any unlawful use of, or nuisance to exist upon, the Premises.

3. **Liens, Prohibition.** Except as permitted in Paragraph 8, Borrower shall not create or suffer or permit any encumbrance to attach to or be filed against the Premises, excepting only (i) the lien of real estate taxes and assessments not due and (ii) any liens and encumbrances of Lender.

4. **Taxes.**

4.1 **Payment.** Borrower shall pay when due all taxes, assessments and charges of every kind levied or assessed against the Premises or any interest therein or any obligation or instrument secured hereby, and all installments thereof (all herein generally called "Taxes"), whether or not assessed against Borrower, and Borrower shall furnish to Lender receipts therefor on or before the date the same are due; and shall discharge any claim or lien relating to Taxes upon the Premises.

4.2 **Contest.** Borrower, in good faith and with reasonable diligence, may contest the validity or amount of any such Taxes, provided:

4.2.1 Such contest shall prevent the collection of the Taxes so contested and the sale or forfeiture of the Premises or any part thereof or interest therein to satisfy the same; and

4.2.2 Borrower has notified Lender in writing of the intention of Borrower to contest the same before any Tax has been increased by any interest, penalties or costs.

4.3 **Change in Tax Laws.** If, by the laws of the United States of America, or of any state or municipality having jurisdiction over Lender, Borrower or the Premises, any tax is imposed or is due in respect of the issuance of the Note or the recording of this Mortgage, Borrower shall pay such tax in the manner required by such law. In the event that any law, statute, rule, regulation, order or court decree has the effect of deducting from the value of the Premises for the purpose of taxation any lien thereon, or imposing upon Lender the payment of the whole or any part of the taxes required to be paid by Borrower, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of Lender in the Premises, or the manner of collection of taxes, so as to affect this Mortgage, the Indebtedness of Lender, then Borrower, upon demand by Lender, shall pay such taxes, or reimburse Lender therefor on demand, unless Lender determines, in Lender's exclusive judgment, that such payment or reimbursement by Borrower is unlawful; in which event the Indebtedness shall be due within thirty (30) days after written demand by Lender to Borrower. Nothing in this Paragraph 4.3 shall require Borrower to pay any income, franchise or excise tax imposed upon Lender, excepting only such which may be levied against the income of Lender as a complete or partial substitute for taxes required to be paid by Borrower pursuant hereto.

5. **Insurance Coverage.** Borrower will insure the Premises against such perils and hazards, and in such amounts and with such limits, as Mortgagee may reasonably require from time to time, and in any event will continuously maintain comprehensive public liability against death, bodily injury and property damage in the amount of not less than \$2,000,000.00 combined single limit (the "Insurance Policies"). Lender shall be named as an additional insured on all Insurance Policies. Borrower will deliver evidence of such insurance reasonably acceptable to Lender, premium prepaid, and will renew or replace such policies at least thirty (30) days prior to the date of expiration of any policy, and deliver evidence thereof to Lender.

6. **Proceeds of Insurance.** Borrower will give Lender prompt notice of any loss or damage to the Premises. In case of loss covered by insurance policies, unless Borrower elects to restore the Premises, Lender (or, after entry of decree of foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case may be) may apply the proceeds of insurance upon the Indebtedness. If Borrower elects to restore the Premises, all net proceeds of insurance shall be made available to Borrower to be used by Borrower to restore or repair the Premises in accordance with

plans and specifications to be approved in advance by Lender. Borrower shall make such election in writing within thirty (30) days after the occurrence of the event giving rise to the insured loss.

7. **Condemnation and Eminent Domain.** Borrower shall immediately notify Lender of the actual commencement of any condemnation or eminent domain proceedings affecting the Premises or the building and land immediately adjoining the Premises the east, securing the Building Parcel (as defined in the Building Purchase Money Mortgage) and shall deliver to Lender copies of any papers served in connection with any such proceedings. Borrower and Lender agree to fully cooperate and contest any condemnation or eminent domain proceeding filed against the Premises or the Building Parcel. Borrower and Lender agree to engage Rudnick & Wolfe or other mutually acceptable counsel as legal counsel to contest such proceeding. If any portion of or interest in the Premises or the Building Parcel is taken by condemnation or eminent domain either temporarily or permanently, on or before Vacant Land Note Maturity Date, or before the occurrence of an event of default under either the Vacant Land Note or the Building Note or this Mortgage, not cured within any applicable grace or cure period, Borrower shall be entitled to all awards ("Awards") made by any governmental authority or other lawful authority and Lender hereby assigns all of its right, title and interest in and to the Awards to Borrower. The entire Indebtedness shall become due and payable at the earlier of the date the relevant authority establishes the amount of the Awards or the Vacant Land Note Maturity Date, unless such date is extended by Landlord as provided in the Vacant Land Note, subject to the right of offset contained in the Vacant Land Note. If any portion of or interest in the Premises or the Building Parcel is taken by condemnation or eminent domain proceeding after the occurrence of an event of default, not cured within any applicable grace or cure period, any Award made by any governmental authority or other lawful authority with respect to the Premises for all or any portion thereof is herein assigned by Borrower to Lender. Lender is authorized to give appropriate acquittances and to negotiate and settle the Award; and apply the Award against the Indebtedness as provided in the Note in the case of defendant without any right of offset by Borrower.

8. **Restrictions on Transfer.** Borrower, without the prior written consent of Lender, unless the entire Indebtedness is paid in full, shall not effect, suffer or permit any "Prohibited Transfer" (as defined herein). Any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of any of the following properties, rights or interests shall constitute a "Prohibited Transfer":

- 8.1 The Premises or any part thereof or interest therein; or
- 8.2 Any controlling shares or interest in Borrower;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided, however, that the foregoing provisions of this Paragraph 8 shall not apply (i) to liens securing the Indebtedness, (ii) to the lien of current

taxes and assessments not in default, (iii) to any lien, pledge, mortgage, security interest or encumbrance which is subordinate and subject in all respects to the lien and terms and provisions of this Mortgage; or (iv) to any transfers of the Premises, or part thereof, or interest therein, or any beneficial interests, or shares of stock or partnership or joint venture interests, as the case may be, by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate or personal representatives. In determining whether or not to make the loan secured hereby, Lender evaluated the background and experience of Borrower in owning and developing property such as the Premises, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Premises which is Lender's security for both the Vacant Land Note and the Building Note. Borrower is well experienced in borrowing money and owning and operating property such as the Premises, was ably represented by a licensed attorney at law in the negotiation and documentation of the loan secured hereby and bargained at arm's length and without duress of any kind for all of the terms and conditions of the loan, including this provision. In accordance with the foregoing and for the purposes of (i) protecting Lender's security, both of repayment and of value of the Premises; and (ii) giving Lender the full benefit of its bargain and contract with Borrower; Borrower agrees that if this Paragraph 8 is deemed a restraint on alienation, that it is a reasonable one.

9. **Defaults.** If one or more of the following events (herein called "Defaults") shall occur:

9.1 If Borrower, after the expiration of any applicable grace periods, shall fail to make payments of amounts owed under the Vacant Land Note or the Building Note or this Mortgage when due;

9.2 If any default, after the expiration of any applicable grace periods, shall exist under any other document or instrument regulating, evidencing, securing or guarantying any of the Indebtedness;

9.3 A Prohibited Transfer;

9.4 If default shall continue for thirty (30) days after notice thereof by Lender to Borrower in the punctual performance or observance of any other agreement or condition herein contained;

9.5 If a Default should occur under the Vacant Land Note or the Building Note or the Building Purchase Money Mortgage;

9.6 If (and for the purpose of this subparagraph 9.6 only, the term Borrower shall mean not only Borrower, but also any managing member of Borrower):

9.6.1 Borrower shall file a voluntary petition in bankruptcy or for relief under the Federal Bankruptcy Act or any similar state or federal law;

9.6.2 Borrower shall file a pleading in any proceeding admitting insolvency;

9.6.3 Within sixty (60) days after the filing against Borrower of any involuntary proceeding under the federal Bankruptcy Act or similar state or federal law, such proceedings shall not have been vacated;

9.6.4 A substantial part of Borrower's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within sixty (60) days;

9.6.5 Borrower shall make an assignment for the benefit of creditors or shall consent to the appointment of a receiver or trustee or liquidator of all or the major part of its property, or the Premises; or

9.6.6 Any order appointing a receiver, trustee or liquidator of Borrower or all or a major part of Borrower's property or the Premises is not vacated within ninety (90) days following the entry thereof;

then Lender, at its option and without affecting the lien hereby created or the priority of said lien or any other right of Lender hereunder, may declare, without further notice, all Indebtedness to be immediately due with interest thereon at the Default Rate, whether or not such Default is thereafter remedied by Borrower, and Lender may proceed immediately to foreclose this Mortgage and to exercise any right provided by this Mortgage, the Vacant Land Note, the Building Note or otherwise.

10. **Foreclosure.**

10.1 When the Indebtedness shall become due, whether by acceleration or otherwise, Lender shall have the right to foreclose the lien hereof in accordance with the Illinois Mortgage Foreclosure Act, Chapter 735, Sections 5/15-1101 et. seq., Illinois Compiled Statutes (the "Act") and to exercise any other remedies of Lender provided in the Vacant Land Note, the Building Note, this Mortgage, the Building Purchase Money Mortgage or which Lender may have at law, in equity or otherwise. It is further agreed that if default be made in the payment of any part of the indebtedness, as an alternative to the right of foreclosure for the full secured indebtedness after acceleration thereof, Lender shall have the right to institute partial foreclosure proceedings with respect to the portion of said Indebtedness so in default, as if under a full foreclosure, and without declaring the entire secured Indebtedness due (such proceeding being hereinafter referred to as a "partial foreclosure"), and provided that if foreclosure sale is made because of default of a part of

the secured Indebtedness, such sale may be made subject to the continuing lien of this Mortgage for the unmatured part of the secured Indebtedness. It is further agreed that such sale pursuant to a partial foreclosure shall not in any manner affect the unmatured part of the secured Indebtedness, but as to such unmatured part, the lien hereof shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this Paragraph. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale in connection therewith, Lender may elect at any time prior to a foreclosure sale pursuant to such decree to discontinue such partial foreclosure and to accelerate the entire secured Indebtedness by reason of any uncured default upon which such partial foreclosure was predicated or by reason of any other default and proceed with full foreclosure proceedings. It is further agreed that several foreclosure sales may be made pursuant to partial foreclosures without exhausting the right of full or partial foreclosure sale for any unmatured part of the secured Indebtedness. In the event of a foreclosure sale, Lender is hereby authorized, without the consent of Borrower, to assign any and all insurance policies (or in the case of a blanket policy the rights related to the Premises) to the purchaser at such sale or to take such other steps as Lender may deem advisable to cause the interest of such purchaser to be protected by any of such insurance policies. In any suit to foreclose or partially foreclose the lien hereof, there shall be allowed and included as additional Indebtedness in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of Lender for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, 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, and similar data and assurance with respect to title as Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true conditions of the title to or the value of the Premises, and any other expenses and expenditures which may be paid or incurred by or on behalf of Lender and permitted by the Act to be included in such decree. All expenditures and expenses of the nature mentioned in this Paragraph, and such other expenses and fees as may be incurred in the protection of the Premises and rents and income therefrom and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Lender in any litigation or proceedings affecting this Mortgage, the Vacant Land Note or the Premises, including probate and bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional Indebtedness and shall be immediately due and payable by Borrower, with interest thereon at the Default Rate until paid.

11. **Right of Possession.** When the Indebtedness shall become due, whether by acceleration or otherwise, or if Lender has a right to institute foreclosure proceedings, Borrower, forthwith upon demand of Lender, shall surrender to Lender, and Lender shall be entitled to be placed in possession of the Premises as provided in the Act and Lender, in its discretion and pursuant to court order, may reasonably, by its agent or attorneys, enter upon and take and maintain

possession of all or any part of the Premises, together with all documents, books, records and accounts of Borrower or the then owner of the Premises relating thereto, and may exclude Borrower, such owner, and any agents and servants thereof wholly therefrom and, on behalf of Borrower or such owner, or in its own name as Lender and under the powers herein granted may:

11.1 Hold, manage and control all or any part of the Premises and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the rents, issues, deposits, profits, and avails of the Premises;

11.2 Elect to disaffirm or cancel any lease, sublease or occupancy or agreement which is then subordinate to the lien holder;

11.3 Cancel or terminate any Lease or sublease of all or any part of the Premises for any cause or on any ground that would entitle Borrower or to cancel the same;

11.4 Extend or modify any then existing Leases and make new Leases of all or any part of the Premises, which extensions, modifications and new Leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the loan evidenced by the Note and the issuance of a deed to a purchaser 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 Borrower, all persons whose interests in the Premises are subject to the lien hereof, and the purchaser at any foreclosure sale, notwithstanding any redemption from sale, reinstatement, discharge of the Indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser;

11.5 Make all necessary or proper repairs, decoration renewals, replacements, alterations, additions, betterments and improvements in connection with the Premises as may seem judicious to Lender, to insure and reinsure the Premises and all risks incidental to Lender's possession, operation and management thereof, and to receive all rents, issues, deposits, profits and avails therefrom;

11.6 Insure and reinsure the Premises and all risks incidental to Lender's possession, operation and management hereof;

11.7 Receive all avails, rents, issues and profits from the Premises; and

11.8 The net income, after allowing a reasonable fee for the collection thereof and for the management of the Premises, to the payment of Taxes, Premiums and other charges

applicable to the Premises, or in reduction of the Indebtedness hereby secured in such order and manner as Lender shall select.

Without limiting the generality of the foregoing, Lender shall have all power, authority and duties as provided in the Act. Nothing herein contained shall be construed as constituting Lender a mortgagee in possession in the absence of the actual taking of possession of the Premises.

12. **Receiver.** Upon the filing of a complaint to foreclose this Mortgage or at any time thereafter, the court in which such complaint is filed may appoint upon petition of Lender, and at Lender's sole option, a receiver of the Premises pursuant to the Act. Such appointment may be made either before or after sale, without notice, without regard to solvency or insolvency of Borrower at the time of application for such receiver, and without regard to the then value of the Premises or whether or not the same shall be then occupied as a homestead; and Lender hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver shall have all powers and duties prescribed by the Act, including the power to make leases to be binding upon all parties, including the mortgagor, the purchaser at a sale pursuant to a judgment of foreclosure and any person acquiring an interest in the Premises after entry of a judgment of foreclosure, all as provided in the Act. In addition, such receiver shall also have the power to extend or modify any then existing leases, which extensions and modifications may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Note and beyond the date 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 provisions to be contained therein, shall be binding upon Borrower and all the persons whose interest in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption, reinstatement, discharge of the Indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser. In addition, such receiver shall have the power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether or not there is a redemption, as well as during any further times when Borrower, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits, and such receiver shall have all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court, from time to time, may authorize the receiver to apply the net income from the Premises in payment in whole or in part of: (a) the Indebtedness or the indebtedness secured by a decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; or (b) the deficiency in case of a sale and deficiency.

13. **Foreclosure Sale Proceeds.** Except to the extent otherwise required by the Act, the proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, all items which under the terms hereof constitute Indebtedness additional to

the principal and interest evidenced by the Vacant Land Note and the Building Note in such order as Lender shall elect with interest thereon as herein provided; and second, all principal and interest remaining unpaid on the Vacant Land Note and the Building Note in such order as Lender shall elect; and lastly, any surplus to Borrower and its successors and assigns, as their rights may appear.

14. **Insurance During Foreclosure.** In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any Insurance Policy, if not applied in rebuilding or restoring the Improvements, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance shall be paid as the court may direct. The foreclosure decree may provide that the mortgagee's clause attached to each of the casualty Insurance Policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said casualty Insurance Policies making the loss thereunder payable to said decree creditors. The foreclosure decree may further provide that in the case of one or more redemptions under said decree, each successive redemption may cause the preceding loss clause attached to each casualty Insurance Policy to be cancelled and a new loss payable clause to be attached thereto, making the loss thereunder payable to such redemption. In the event of foreclosure sale, Lender, without the consent of Borrower, may assign any Insurance Policies to the purchaser at the sale, or take such other steps to protect the interest of such purchaser.

15. **Assignment of Rents, Leases and Profits.** To further secure the Indebtedness, Borrower hereby assigns unto Lender all of the rents, leases and income now or hereafter due under any Leases agreed to by Borrower or the authorized agents of Borrower or which may be made or agreed to by Lender under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all such Leases, rents and income thereunder, to Lender, until the Indebtedness is fully repaid. Upon default, Borrower hereby irrevocably appoints Lender its attorney-in-fact (this power of attorney and any other powers of attorney granted herein are powers coupled with an interest and cannot be revoked, modified or altered without the written consent of Lender) with or without taking possession of the Premises as later provided, to lease any portion of the Premises to any party upon such terms as Lender shall determine, and to collect all rents due under each of the Leases, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Lender would have upon taking possession pursuant to the provisions of this Mortgage. Borrower represents that no rent has been or will be paid by any person in possession of any portion of the Premises for more than three monthly installments in advance and that the payment of none of the rents for any portion of the Premises has been or will be waived, reduced or otherwise discharged or compromised by Borrower; provided, however that Borrower may terminate month-to-month tenants. Borrower waives any rights of set-off against any person in possession of any portion of the Premises. Borrower agrees that it will not assign any of the rents or profits of the Premises, except to a purchaser or grantee of the Premises. Nothing herein contained shall be construed as constituting Lender a mortgagee in possession in the absence of the taking of actual possession of the Premises by Lender pursuant to this Mortgage. Borrower expressly waives all liability of Lender in the exercise of the powers herein granted Lender except for fraud or wilful misconduct. Borrower shall assign to Lender all

future leases upon any part of the Premises and shall execute and deliver, at the request of Lender, all such further assurances and assignments in the Premises as Lender shall require from time to time. Although the assignment contained in this Paragraph is a present assignment, Lender shall not exercise any of the powers conferred upon it by this Paragraph until a Default shall exist under this Mortgage. Within thirty (30) days of Lender's written demand, Borrower will furnish Lender with executed copies of each of the Leases and with estoppel letters from each tenant in a form satisfactory to Lender. If Lender requires that Borrower execute and record a separate collateral assignment of rents or separate assignments of any of the Leases to Lender, the terms of those assignments shall control in the event of a conflict with the terms of this Mortgage.

16. **Waiver of Right of Redemption and Other Rights.** To the full extent permitted by law, Borrower agrees that it will not at any time or in any manner whatsoever take any advantage of any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, or take any advantage of any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale thereof to be made pursuant to any provision herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or after such sale, claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof. To the full extent permitted by law, Borrower hereby expressly waives any and all rights it may have to require that the Premises be sold as separate tracts or units in the event of foreclosure. To the full extent permitted by law, Borrower hereby expressly waives any and all rights of redemption under the Act, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Borrower and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Borrower and such other persons are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Borrower agrees that, by invoking or utilizing any applicable law or laws or otherwise, it will not hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Lender, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Borrower hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note.

17. **Lender's Performance of Borrower's Obligations.** In case of Default, either before or after acceleration of the Indebtedness or the foreclosure of the lien hereof and during the period of redemption, if any, Lender may, but shall not be required to, make any payment or perform any act herein required of Borrower (whether or not Borrower is personally liable therefor) in any form and manner deemed expedient to Lender. All monies paid, and all expenses incurred in connection therewith, including attorneys' fees, shall be so much additional Indebtedness, whether or not the Indebtedness, as a result thereof, shall exceed the face amount of the Vacant Land Note, and shall become immediately due and payable on demand, and with interest thereon at the Default Rate

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specified in the Vacant Land Note (the "Default Rate"). Inaction of Lender shall not be a waiver of any right accruing to it on account of any Default nor shall the provisions of this Paragraph or any exercise by Lender of its rights hereunder prevent any default from constituting a Default. Lender, in making any payment hereby authorized (a) relating to Taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the rental, operation or management of the Premises or the payment of operating costs and expenses thereof, may do so in such amounts and to such persons as Lender may deem appropriate. Nothing contained herein shall be construed to require Lender to advance or expend monies for any purpose.

18. **Rights Cumulative.** Each right herein conferred upon Lender is cumulative and in addition to every other right provided by law or in equity, and Lender may exercise each such right in any manner deemed expedient to Lender. Lender's exercise or failure to exercise any right shall not be deemed a waiver of that right or any other right or a waiver of any default. Except as otherwise specifically required herein, Lender is not required to give notice of its exercise of any of its right under this Mortgage.

19. **Successors and Assigns.**

19.1 **Holder of the Vacant Land Note.** This Mortgage and each provision hereof shall be binding upon Borrower and its successors and assigns (including, without limitation, each and every record owner from time to time of the Premises or any other person having an interest therein), and shall inure to the benefit of Lender and its successors and assigns. Wherever herein Lender is referred to, such reference shall be deemed to include the holder from time to time of the Vacant Land Note; and each such holder of the Vacant Land Note shall have all of the rights afforded hereby and may enforce the provisions hereof, as fully as if Lender had designated such holder of the Vacant Land Note herein by name.

19.2 **Covenants Run with Land; Successor Owners.** All of the covenants of this Mortgage shall run with the Land and shall be binding on any successor owners of the Land. If the ownership of the Premises or any portion thereof becomes vested in a person other than Borrower, Lender, without notice to Borrower, may deal with such person with reference to this Mortgage and the Indebtedness in the same manner as with Borrower without in any way releasing Borrower from its obligations hereunder. Borrower will give immediate written notice to Lender of any conveyance, transfer or change of ownership of the Premises, but nothing in this Paragraph shall vary the provisions of Paragraph 8 hereof.

20. **Effect of Extensions and Amendments.** If the payment of the Indebtedness is extended or varied, or if any part of the security or guaranties therefor is released, all persons at any time liable therefor, or interested in the 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 and effect; the right of recourse against all such persons being expressly reserved by Lender, notwithstanding any such extension, variation or release. Any person, firm or corporation taking a junior mortgage, or other lien upon the Premises or any part thereof or any interest therein, shall take said lien subject to the rights of Lender to amend, modify, extend or release the Note, this Mortgage or any other document or instrument evidencing, securing or guarantying the Indebtedness, in each case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

21. **Environmental Matters.** Borrower agrees to manage and operate the Premises and will cause each tenant to occupy its demised portion of the Premises in compliance with, all federal, state and local laws, rules, regulations and ordinances regulating, without limitation, air pollution, soil and water pollution, lead paint, asbestos or asbestos-containing materials, petroleum or chemical products, underground storage tanks, any other substance determined to be hazardous or toxic and the use, generation, storage, handling or disposal of hazardous or toxic substances or other materials (including, without limitation, raw materials, products, supplies or wastes). Borrower further covenants and agrees that it shall not install or permit to be installed in the Premises asbestos or any substance containing asbestos and deemed hazardous by or in violation of federal, state or local laws, rules, regulations or orders respecting such material. Borrower shall send to Lender within five (5) days of receipt thereof, any citation, notice of violation or other notice of potential liability from any governmental or quasi-governmental authority empowered to regulate or oversee any of the foregoing activities. Borrower agrees to indemnify, defend with counsel reasonably acceptable to Lender (at Borrower's sole cost), and hold Lender harmless against any claim, response or other costs, damages, liability or demand (including, without limitation, reasonable attorneys' fees, professional fees and costs incurred by Lender) arising out of any claimed violation by Borrower of any of the foregoing laws, regulations or ordinances or breach of any of the foregoing covenants or agreements. The foregoing indemnity shall survive repayment of the Indebtedness.

22. **Future Advances.** At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures as part of the Indebtedness the payment of all loan commissions, service charges, liquidated damages, attorneys' fees, expenses and advances due to or incurred by Lender in connection with the Indebtedness, all in accordance with the Note and this Mortgage; provided, however, that in no event shall the total amount of the Indebtedness, including loan proceeds disbursed plus any additional charges, exceed the maximum indebtedness permitted under Paragraph. All such advances are intended by the parties hereto to be a lien on the Premises from the time this Mortgage is recorded, as provided in the Act.

23. **Subrogation.** If any part of the Indebtedness is used directly or indirectly to satisfy, in whole or in part, any prior encumbrance upon the Premises or any part thereof, then Lender shall be subrogated to the rights of the holder thereof in and to such other encumbrance and any additional security held by such holder, and shall have the benefit of the priority of the same.

24. **Execution of Separate Agreements, Estoppel Letter.** Borrower will do, execute, acknowledge and deliver all such further acts, conveyances, notes, mortgages, and assurances as Lender shall require for the better assuring, conveying, mortgaging, assigning and confirming unto Lender all property mortgaged hereby or property intended so to be, whether now owned by Borrower or hereafter acquired. Without limitation of the foregoing, Borrower will assign to Lender, upon request, as further security for the Indebtedness, its interests in all agreements, contracts, licenses and permits affecting the Premises, such assignments to be made by instruments satisfactory to Lender, but no such assignment shall be construed as a consent by the Lender to any agreement, contract, license or permit or to impose upon Lender any obligations with respect thereto. From time to time, Borrower will furnish within five (5) days after Lender's request a written and duly acknowledged statement of the Indebtedness and whether any alleged offsets or defenses exist against the Indebtedness.

25. **Governing Law.** The place of execution and delivery of this Mortgage and the location of the Property being the State of Illinois, this Mortgage shall be construed and enforced according to the laws of that State, without reference to the conflicts of law principles of that State.

26. **Business Loan.** The proceeds of the Note are a loan to a corporation for business purposes under the laws of the State of Illinois and the principal obligation secured hereby constitutes a "business loan" coming within the definition and purview of said laws.

27. **Time of the Essence.** Time is of the essence of the Note, this Mortgage, and any other document or instrument evidencing or securing the Indebtedness.

28. **Captions and Pronouns.** The captions and headings of the various paragraphs of this Mortgage are for convenience only, and are not to be construed as limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and the masculine, feminine and neuter shall be freely interchangeable.

29. **Notices.** Any notice or other communication which any party hereto may desire or may be required to give to any other party hereto shall be in writing, and shall be deemed given when (i) personally delivered, (ii) upon receipt if sent by a nationally recognized overnight courier addressed to a party at its address set forth above, or (iii) on the second business day after being deposited in United States registered or certified mail, postage prepaid, addressed to a party at its address set forth above, or to such other address as the party to receive such notice may have designated to the other party by notice in accordance herewith.

30. **Leasing and Improvements to the Premises.** No lease or any other agreement entered into by Borrower for the use and/or occupancy of all or any portion of the Premises shall be permitted under this Mortgage unless made in compliance with the provisions of this Paragraph. All leases and/or other occupancy agreements made with respect to the Premises shall either be

(i) cancellable upon no more than ninety (90) days prior written notice or (ii) expressly made subject and subordinate to the lien and terms and provisions of this Mortgage.

31. **Waiver of Jury Trial.** BORROWER HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND FOREVER WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE NOTE AND THIS MORTGAGE, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE.

32. **Compliance with Illinois Mortgage Foreclosure Law.**

(a) In the event that any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Act (Chapter 735, Sections 5/15-1101 et seq., Illinois Compiled Statutes) (herein called the "Act") the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

(b) If any provision of this Mortgage shall grant to Mortgagee (including Mortgagee acting as a mortgagee-in-possession) or a receiver appointed pursuant to the provisions of Paragraph 12 of this Mortgage any powers, rights or remedies prior to, upon or following the occurrence of an Event of Default which are more limited than the powers, rights or remedies that would otherwise be vested in Mortgagee or in such receiver under the Act in the absence of said provision, Mortgagee and such receiver shall be vested with the powers, rights and remedies granted in the Act to the full extent permitted by law.

(c) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee which are of the type referred to in Section 5/15-1510 or 5/15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in Paragraph 11 and 12 of this Mortgage, shall be added to the indebtedness secured by this Mortgage and/or by the judgment of foreclosure.

33. **Relationship of Mortgagee and Mortgagor.** Mortgagee shall in no event be construed for any purpose to be a partner, joint venturer, agent or associate of Mortgagor or of any lessee, operator, concessionaire or licensee of Mortgagor in the conduct of their respective businesses, and, without limiting the foregoing, Mortgagee shall not be deemed to be such partner, joint venturer, agent or associate on account of Mortgagee becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage, any of the other Loan Documents, or otherwise.

34. **No Merger.** It being the desire and intention of the parties hereto that the Mortgage and the lien hereof do not merge in fee simple title to the Premises, it is hereby understood and agreed that should Mortgagee acquire any additional or other interest in or to the 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 and this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

35. **Maximum Indebtedness.** Notwithstanding anything contained herein to the contrary, in no event shall the indebtedness secured by this Mortgage exceed an amount equal to Ten Million and 00/100 Dollars (\$10,000,000.00)

36. **Limitation of Recourse.** Notwithstanding any provision hereof, Mortgagor shall not be personally liable by reason of any default in the payment or performance of the obligations of Mortgagor under this Agreement; provided, however, that the foregoing limitation of recourse shall not impair or otherwise affect (i) any of Mortgagee's rights or remedies against any collateral now or hereafter pledged to Mortgagee as security for the obligations of Mortgagor or against any other person or entity liable for the obligations of Mortgagor, or (ii) the provisions of Paragraph 4.8 of the Note.

Except as otherwise specifically required herein, notice of the exercise of any right, power or option granted to Lender by this Mortgage is not required to be given.

2100 ELSTON LAND L.L.C., an Illinois limited liability company

By: **Baker Development Corporation,**
Managing Member

By: 
Its: President

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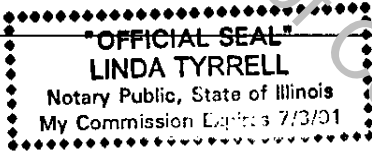
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

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On the 18th day of November, 1998, before me personally came Warren Baker to me known to be the individual who executed the foregoing instrument and, who, being by me duly sworn, did depose and say that he is the President of Baker Development Corporation, managing member of 2100 Elston Land L.L.C., an Illinois limited liability company, and that he executed the foregoing instrument in the name of entities, and that he had the authority to sign the same, and acknowledged that he executed the same as the act and deed of said corporation.

Linda Tyrrell
Notary Public

My Commission expires:



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EXHIBIT B

PERMITTED EXCEPTIONS

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EXHIBIT A

LEGAL DESCRIPTION

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LOT 8 (EXCEPT THE NORTHEASTERLY 10 FEET THEREOF AND EXCEPT THE SOUTHEASTERLY 34 FEET OF SAID LOT 8 LYING SOUTHWESTERLY OF THE NORTHEASTERLY 10 FEET THEREOF) LOTS 9 AND 10 (EXCEPT THE SOUTHEASTERLY 34 FEET OF SAID LOTS) AND LOTS 11 AND 12 IN KILLICK'S SUBDIVISION OF LOTS 29, 30 AND 31 IN THE RESUBDIVISION OF LOTS 2 TO 5, LOT 7 TO 11 AND LOTS 13 TO 18 IN BLOCK 21 IN SHEFFIELD'S ADDITION TO CHICAGO IN THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO

THAT PART OF REAL ESTATE LYING SOUTHWESTERLY OF AND ADJOINING LOT 12 IN KILLICK'S SUBDIVISION AFORESAID AND BOUNDED AS FOLLOWS: (1) ON THE NORTHWEST BY A LINE COMMENCING AT THE MOST WESTERLY CORNER OF SAID LOT 12; THENCE RUNNING SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF SAID LOT 12, EXTENDED SOUTHWESTERLY, 34 FEET, 7 1/4 INCHES, MORE OR LESS, TO THE NORTHEASTERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD; (2) ON THE SOUTHWEST BY SAID NORTHEASTERLY LINE OF RAILROAD RIGHT OF WAY; (3) ON THE SOUTHEAST BY THE SOUTHEASTERLY LINE OF SAID LOT 12, EXTENDED SOUTHWESTERLY TO SAID NORTHEASTERLY LINE OF RAILROAD RIGHT OF WAY; AND (4) ON THE NORTHEAST BY THE SOUTHWESTERLY LINE OF SAID LOT 12, IN COOK COUNTY, ILLINOIS.

ALSO

THAT PART OF REAL ESTATE LYING SOUTHEASTERLY OF AND ADJOINING THE ABOVE DESCRIBED PROPERTY AND BOUNDED AS FOLLOWS: (1) ON THE NORTHWEST BY THE SOUTHEASTERLY LINE OF LOT 12 IN KILLICK'S SUBDIVISION AFORESAID, EXTENDED SOUTHWESTERLY TO THE NORTHEASTERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD; (2) ON THE SOUTHWEST BY SAID NORTHEASTERLY LINE OF RAILROAD RIGHT OF WAY; (3) ON THE SOUTHEAST BY A LINE DRAWN PARALLEL TO AND 2 1/2 FEET NORTHWESTERLY ON THE SOUTHEASTERLY LINE OF THE 16 FOOT ALLEY LYING SOUTHEASTERLY OF AND ADJOINING LOTS 7 TO 12 IN KILLICK'S SUBDIVISION AFORESAID, AND SAID LINE EXTENDED SOUTHWESTERLY TO THE AFORESAID NORTHEASTERLY LINE OF RAILROAD RIGHT OF WAY; AND (4) ON THE NORTHEAST BY THE SOUTHWESTERLY

LINE OF SAID LOT 12 IN KILLICK'S SUBDIVISION, EXTENDED SOUTHEASTERLY TO SAID SOUTHEASTERLY BOUNDARY LINE OF SAID PARCEL OF REAL ESTATE, IN COOK COUNTY, ILLINOIS.

ALSO

ALL THAT PART OF VACATED NORTH HOBSON AVENUE LYING NORTHWESTERLY OF THE ADJOINING THE NORTHWESTERLY LINES OF LOTS 8 TO 12, AND THE NORTHWESTERLY LINE OF SAID LOT 12, PRODUCED SOUTHWESTERLY TO THE NORTHEASTERLY LINE OF THE RIGHT OF WAY OF CHICAGO AND NORTHWESTERN RAILWAY, IN J. E. KILLICK'S SUBDIVISION OF LOTS 29, 30 AND 31 OF BLOCK 21 AFORESAID, AND LYING SOUTHEASTERLY OF AND ADJOINING THE SOUTHEASTERLY LINE OF LOT "A" IN THE CONSOLIDATION OF PARTS OF ORIGINAL BLOCK 21 AND LYING SOUTHWESTERLY OF AND ADJOINING THE SOUTHWESTERLY LINE OF THE NORTHEASTERLY 10 FEET OF SAID LOT 8 IN KILLICK'S SUBDIVISION, PRODUCED NORTHWESTERLY TO THE SOUTHEASTERLY LINE OF LOT "A" IN THE CONSOLIDATION AFORESAID AND LYING NORTHEASTERLY OF AND ADJOINING THE NORTHEASTERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD, IN COOK COUNTY, ILLINOIS.

ALSO

THAT PART OF LOT "A" IN THE CONSOLIDATION OF PARTS OF ORIGINAL BLOCK 21 IN SHEFFIELD'S ADDITION TO CHICAGO IN THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE FOLLOWING DESCRIBED LINES: COMMENCING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF NORTH HOBSON AVENUE WITH THE SOUTHWESTERLY LINE OF NORTH ELSTON AVENUE; THENCE NORTH 45° 45' 02" WEST ALONG SAID SOUTHWESTERLY LINE 100.27 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 44° 17' 58" WEST 146.52 FEET; THENCE SOUTH 43° 27' 42" WEST 167.81 FEET, EXCEPTING THEREFROM THAT PART OF SAID LOT "A" DESCRIBED AS FOLLOWS:

THAT PART OF LOT "A" IN THE CONSOLIDATION OF PARTS OF ORIGINAL BLOCK 21 IN SHEFFIELD'S ADDITION TO CHICAGO IN THE EAST ½ OF THE NORTHEAST ¼ OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF NORTH HOBSON AVENUE WITH THE SOUTHWESTERLY LINE OF NORTH ELSTON AVENUE; THENCE SOUTHWESTERLY ALONG WESTERLY LINE OF HOBSON AVENUE TO THE INTERSECTION WITH THE SOUTHERLY LINE OF NORTH HOLLY AVENUE A DISTANCE OF 168.8 FEET, THENCE NORTHWESTERLY ALONG A LINE PARALLEL WITH

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SOUTHWESTERLY LINE OF NORTH ELSTON AVENUE A DISTANCE OF 99.94 FEET; THENCE DEFLECTING 89° 12' 44" RIGHT FROM THE PROLONGATION OF THE PRECEDING COURSE FOR A DISTANCE OF 22.35 FEET; THENCE NORTHEASTERLY 146.52 FEET ALONG A LINE DEFLECTED 0° 50' 16" RIGHT FROM LAST DESCRIBED COURSE, SAID LINE BEING PARALLEL WITH NORTHEASTERLY LINE OF NORTH HOBSON AVENUE TO THE INTERSECTION WITH SOUTHERLY LINE OF ELSTON AVENUE; THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY LINE OF ELSTON AVENUE A DISTANCE OF 100.27 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office

P&N: 14-31-211-026-0000
14-31-219-039-0000

ADDRESS: 2100 N. ELSTON, CHICAGO, IL. 60622

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EXHIBIT B

PERMITTED EXCEPTIONS

1. TAXES FOR THE YEAR 1998
1998 TAXES ARE NOT YET DUE OR PAYABLE.

2. GRANT BY CARRIE E. MEARS TO LEOKADIA TIEDGE, DATED JANUARY 29, 1931, AND RECORDED FEBRUARY 9, 1931, AS DOCUMENT 10842583, OF THE FULL AND FREE RIGHT OF PASSAGE ALONG AND ACROSS THAT PART OF PARCEL 3 WHICH LIES NORTHEASTERLY OF A LINE PARALLEL WITH AND 7 FEET NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE RIGHT OF WAY OF CHICAGO AND NORTHWESTERN RAILROAD.

3. RIGHTS OF WAY ALONG THE FOLLOWING DESCRIBED PARTS OF VACATED NORTH HOBSON AVENUE:
 - (1) A STRIP 20 FEET IN WIDTH, THE CENTER LINE OF WHICH IS 19 FEET SOUTHEASTERLY OF AND PARALLEL WITH THE NORTHWESTERLY LINE OF SAID VACATED NORTH HOBSON AVENUE; AND

 - (2) A STRIP 20 FEET IN WIDTH, THE CENTER LINE OF WHICH IS 28 FEET NORTHEASTERLY OF AND PARALLEL WITH THE NORTHEASTERLY LINE OF THE CHICAGO AND NORTHWESTERLY 29 FEET OF SAID STRIP;

FOR THE MAINTENANCE, RENEWAL AND RECONSTRUCTION OF WATER MAINS EXISTING ON MARCH 2, 1951, AND FOR THE INSTALLATION, MAINTENANCE, RENEWAL AND RECONSTRUCTION OF ADDITIONAL WATER MAINS AND OTHER MUNICIPAL SERVICE FACILITIES; AND PROVISIONS THEREIN CONTAINED THAT NO BUILDINGS OR OTHER STRUCTURES SHALL BE ERECTED ON SAID RIGHT OF WAYS OR OTHER USE MADE OF SUCH AREA WHICH IN THE JUDGMENT OF THE RESPECTIVE MUNICIPAL OFFICIALS HAVING CONTROL OF THE AFORESAID SERVICE FACILITIES WOULD INTERFERE WITH THE USE, MAINTENANCE, RENEWAL OR CONSTRUCTION OF SAID FACILITIES OR THE CONSTRUCTION OF ADDITIONAL SERVICE FACILITIES; AS RESERVED BY THE CITY OF CHICAGO IN THE VACATION ORDINANCE PASSED MARCH 2, 1951, A COPY OF WHICH WAS RECORDED MAY 25, 1951, AS DOCUMENT 15085026.

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EXHIBIT B

PERMITTED EXCEPTIONS

4. . RELATIVE TO THE VACATION OF THAT PART OF NORTH HOBSON STREET AS DESCRIBED, WE NOTE THE FOLLOWING:

RIGHTS OF THE PUBLIC OR QUASI-PUBLIC UTILITIES, IF ANY, IN SAID VACATED STREET FOR MAINTENANCE THEREIN OF POLES, CONDUITS, SEWERS, ETC.

5. . POSSIBLE EASEMENTS FOR PUBLIC UTILITY PURPOSES AS DISCLOSED BY LIGHT POLE AND AERIAL WIRE, AS DEPICTED ON THE AFORESAID SURVEY.

6. . TERMS, PROVISIONS AND EASEMENT OVER PART OF THE LAND AS CONTAINED AND RESERVED IN DECLARATION OF EASEMENT RECORDED DECEMBER 31, 1986 AS DOCUMENT 86631254 MADE BY POLYCHROME CHEMICALS CORPORATION.

7. . MATTERS DISCLOSED BY SURVEY MADE BY MM SURVEYING COMPANY, INC., NUMBER 43316, DATED NOVEMBER 15, 1998 DESCRIBED AS FOLLOWS:

ENCROACHMENT OF THE FENCE LOCATED ON THE PROPERTY ONTO THE PROPERTY NORTHWESTERLY AND ADJOINING BY 0.57 FEET AND NORTHEASTERLY AND ADJOINING BY 0.42 FEET.

POSSIBLE UNRECORDED EASEMENT ALONG THE SOUTHWESTERLY LINE OF THE LAND AS DISCLOSED BY ELECTRICAL BOX LOCATED ON THE SOUTHWESTERLY LINE OF THE LINE.