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Eugene "Gene" Moore RHSP Fee:\$10.00  
Cook County Recorder of Deeds  
Date: 03/18/2008 12:41 PM Pg: 1 of 22

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1 of 3

MORTGAGE

COOK COUNTY

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## MORTGAGE AND SECURITY AGREEMENT

GLC DEVELOPMENT PARTNERS, LLC, an Illinois limited liability company (hereinafter referred to as "Mortgagor"), hereby MORTGAGES AND WARRANTS to EQUITY FUNDING, LLC, a Washington limited liability company (hereinafter referred to as "Mortgagee"), its interest in and to those parcels of real estate located in Cook County, Illinois, more particularly described in Exhibit A, attached hereto and made a part hereof by reference (hereinafter collectively referred to as the "Real Estate"), and all improvements now or hereafter situated thereon or used in connection therewith, and all rights, privileges, interests, easements, hereditaments, appurtenances now or hereafter thereunto belonging or anywise appertaining, and all fixtures, appliances and articles of personal property now or hereafter affixed to or appurtenant to the Real Estate (the "Improvements"), and the rents, issues, income and profits of the Real Estate.

Tax I.D. No: 24-22-202-003-0000

Commonly known as: 4050 W. 115<sup>th</sup>, Chicago, Illinois

Traditional Title Company, LLC  
2801 S. Arlington Heights Rd.  
Suite 103  
Arlington Heights, IL 60005

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Mortgagor also hereby grants a security interest to Mortgagee in and to and collaterally assigns to Mortgagee all of its interest in all assets of Mortgagor used in connection with the Real Estate, wherever located, including without limitation all furnishings, equipment, inventory, fixtures, goods, machinery, computer and data processing systems, software, hardware, general intangibles, and other articles of personal property which now or hereafter constitute a part of or are located on or are used in connection with the operation of the Real Estate or otherwise (the "Chattels"); all contracts now or hereafter entered into by and between Mortgagor and any party in connection with the construction, development and operation of the Real Estate or sales or leasing thereof; all payment intangibles and contract rights relating to the Mortgaged Property (as hereinafter defined); all rights or awards due to Mortgagor arising out of any eminent domain proceedings for the taking or for loss of value of the Real Estate, Improvements or Chattels (or any part thereof); all accounts, deposit accounts, credit card receivables, funds, instruments, documents, promissory notes, letter of credit rights, chattel paper (whether electronic or tangible), payables arising out of licenses and/or assignments, now owned or hereafter acquired, including, but not limited to, all goodwill, permits, licenses, operating rights, franchises and franchise rights and other like business property rights relating to the Mortgaged Property (as hereinafter defined); all books, records, plans, drawings, and permits relating to the construction, use, operation, occupancy or ownership of the Mortgaged Property; and all escrow accounts established pursuant to this Mortgage or any other Loan Document; all refunds, payments, repayments, deposits and monies received or to be received and all claims therefor, arising from or relating to the ownership of the Mortgaged Property (as hereinafter defined), irrespective of the time period to which such refunds, payments, repayments, deposits or monies relate, including property tax or other tax refunds and utility refunds, rebates or deposits; and all additions and accessions thereto, all replacements and renewals of any part thereof, and the proceeds of any of these items, including, but not limited to, insurance and tort claims with respect to any such property (all of which property, including the Real Estate, Improvements and Chattels and all of the other aforementioned property is hereinafter collectively referred to as the "Mortgaged Property").

If any personal property which becomes part of the Mortgaged Property is subject to a conditional bill of sale, security agreement, mortgage or other lien covering such property, then, in the event of any Event of Default under this Mortgage, all the right, title and interest of Mortgagor in and to any and all such personal property is hereby assigned to Mortgagee, together with the benefits of any deposits or payments now or hereafter made by Mortgagor, or the predecessors or successors in title to Mortgagor in the Mortgaged Property. Should Mortgagee desire to impose the lien of this Mortgage more specifically upon said fixtures and articles of said personal property, Mortgagor will make, execute and deliver on demand such security instrument as may be deemed necessary or appropriate or required to effectuate the same.

It is the intention of Mortgagor herein, and of this instrument, that the terms of the Mortgage shall cover Mortgagor's interest in and to the Real Estate, as well as Mortgagor's interest of whatever kind in all the chattel personal property of every kind and description owned by Mortgagor or in which Mortgagor may have an interest, and used or to be used in the operation of, or in connection with the operation of, the Mortgaged Property together with replacements of any of the chattel personal property presently owned by Mortgagor related to the Mortgaged Property, and all increases and additions thereto, and all after acquired personal

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property used in connection with the business of Mortgagor or attached to the above Real Estate, or any interest therein, of any kind or description, hereafter acquired by Mortgagor for use in the operation of, or connected with the operation of, the Mortgaged Property, which after acquired property shall become a part of the Mortgaged Property.

Mortgagor also hereby assigns to Mortgagee, as additional and collateral security for the payment and performance of the Obligations (as hereinafter defined), all the rents, issues and profits which may hereafter become due Mortgagor under or by virtue of any lease, sublease, whether written or verbal, or any letting of, or any agreement for the use or occupancy of, any part of the said Mortgaged Property, which may have been heretofore or hereafter made.

The interests of Mortgagee hereunder shall be held by Mortgagee and its successors and assigns, subject, however, to the terms and conditions of this Mortgage and subject and subordinate to those encumbrances described in Exhibit B attached hereto and made a part hereof by reference (such listed encumbrances collectively referred to as the "Permitted Encumbrances").

## ARTICLE I SECURITY OF MORTGAGE

Section 1.01. Performance and Obligations Secured. This Mortgage is given to secure (a) the performance by Mortgagor of the covenants and agreements contained in this Mortgage, and each of the other documents executed and delivered in connection herewith (collectively, the "Loan Documents"), and (b) the payment of the indebtedness of Mortgagor to Mortgagee evidenced by a Promissory Note in the principal amount of Four Million and No/100 Dollars (\$4,000,000) of even date herewith, executed by Mortgagor and others and payable to the order of Mortgagee (the "Note") and having a maturity date of March 1, 2009, and any and all other indebtedness or obligations of Mortgagor now or hereafter incurred or arising pursuant to the provisions of the Note, this Mortgage, or any other Loan Document (all of such indebtedness and obligations collectively referred to as the "Obligations"). This Mortgage shall also secure any and all renewals, future advances, advances, re-advances, or extensions of the whole or any part of the Obligations, however evidenced, up to the maximum aggregate principal amount of Eight Million Dollars (\$8,000,000), whether such advances are obligatory or discretionary or made after a reduction to a zero balance or otherwise, all with interest at such lawful rate as may be agreed upon, and any such renewals, future advances, advances, re-advances or extensions or any change in the terms or rate of interest shall not impair in any manner the validity of or the priority of this Mortgage, nor release Mortgagor from liability for the Obligations. Reference is hereby made to the Note, and all other Loan Documents as if set out here at length and incorporated herein. Capitalized terms used but not defined herein have the meanings given therefor in the Note.

The Note delivered on even date provides for a variable rate of interest which is based upon the Prime Rate. The Note is in the aggregate principal amount of all loans up to the maximum amount of which Mortgagee is obligated to make to Mortgagor and the other Borrower. The Note shall also evidence all advances which are otherwise made by Mortgagee

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pursuant to this Mortgage, and all other Loan Documents or other documents executed in connection herewith for expenses incurred for preservation of the security and interest on all such advances.

## ARTICLE II COVENANTS OF MORTGAGOR

Mortgagor covenants and agrees with Mortgagee as follows:

Section 2.01. Covenants of Title. Mortgagor warrants that he is lawfully possessed of the Real Estate and holds the fee simple title to the Real Estate, subject to no liens or encumbrances except the Permitted Encumbrances.

Except as to after acquired property and improvements to be constructed, Mortgagor warrants that he is lawfully possessed of and has good and complete title to all the remainder of the Mortgaged Property, free and clear of all liens and encumbrances, other than the Permitted Encumbrances.

Mortgagor warrants and will defend the Mortgaged Property for the benefit of Mortgagee, and Mortgagee's lien hereunder, against all claims and demands of any person whomsoever. Mortgagor has the right and authority to mortgage the Mortgaged Property as provided in this Mortgage. So long as there is any balance due under the Note or other Obligations, Mortgagor will maintain and preserve the lien of this Mortgage on the whole of the Mortgaged Property now owned or hereafter acquired.

Section 2.02. Covenant To Comply with Terms of Loan Documents. Mortgagor will pay the principal amount of and interest on the Note and pay and perform all other Obligations, as the same become due, in accordance with its terms, without relief from valuation or appraisal laws, and he will keep, observe and perform all of the terms, provisions, covenants and agreements of this Mortgage, the Note and all other Loan Documents.

Section 2.03. Covenant To Pay Taxes and Discharge Liens. Mortgagor shall pay and discharge or cause to be paid and discharged all taxes, assessments and governmental charges or levies imposed upon him or upon his income and profits or upon any of his property, real, personal or mixed, or upon any part thereof, before the same shall become in default, as well as all lawful claims for labor, materials and supplies or otherwise, which, if unpaid, might become a lien or charge upon such properties or any part thereof; provided that Mortgagor shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment, charge, levy or claim (A) which does not or will not, in the sole judgment of Mortgagee, constitute a lien on the Mortgaged Property so long as (i) the validity thereof shall be contested in good faith and diligently and by appropriate proceedings, (ii) there exists at no time during the contest an event of default and (iii) Mortgagor shall have set aside on its books adequate reserves with respect to any such tax, assessment, charge, levy or claim, so contested and (B) which does or may, in Mortgagee's reasonable judgment, constitute a lien on the Mortgaged Property so long as (i) the requirements of Clauses (A)(i), (ii) and (iii) of this Section are satisfied, (ii) Mortgagor

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has provided bonds, letters of credit, cash deposits or other assurances to Mortgagee as Mortgagee reasonably requires; and provided, further, that payment with respect to any such tax, assessment, charge, levy or claim (whether or not it may or may not constitute a lien on the Mortgaged Property) shall be made before any of its property shall be seized or sold in satisfaction thereof.

Section 2.04. Payment of Utilities. Mortgagor agrees to pay or cause to be paid, before any fine, penalty, interest or additional cost attaches, all water, drainage and sewer charges, rents or levies, of any kind and nature whatsoever, ordinary or extraordinary, which may be levied, assessed or imposed upon or become a lien on or against the Mortgaged Property of any portion thereof and all charges for electricity, power, gas, water and other utilities used in connection with the Mortgaged Property and, at the request of Mortgagee, to exhibit to Mortgagee official receipts evidencing such payments.

Section 2.05. Covenant with Respect to Maintenance of Insurance - Application of Proceeds. Mortgagor shall provide, maintain and keep in force at all times the following policies of insurance:

- (a) Comprehensive broad form general liability insurance, insuring against any and all claims for bodily injury, death or property damage occurring on, in or about the Real Estate, the Improvements and the adjoining streets, sidewalks and passageways, subject to a combined single limit of not less than Two Million Dollars (\$2,000,000) for personal injury, death or property damage arising out of any one accident, and otherwise on such terms as are satisfactory to Mortgagee;
- (b) Fire and extended coverage against all risks in an amount not less than 100% of the replacement cost of the Improvements;
- (c) Workmen's compensation coverage as required by law; and
- (d) Business interruption coverage in an amount equal to at least twelve (12) months' rental and operating income.

Each policy of insurance required by the terms of this Mortgage shall contain an endorsement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor which might otherwise result in forfeiture of said insurance and the further agreement of the insurer waiving all rights of set-off, counterclaim or deductions against Mortgagor. In addition, each policy shall contain an agreement by the insurer that such policy shall not be canceled or changed except upon not less than ten (10) days prior written notice delivered to Mortgagee.

All such insurance policies and renewals thereof shall be written by companies acceptable to Mortgagee, shall be in a form acceptable to Mortgagee and shall include a standard mortgage clause in favor of and in form acceptable to Mortgagee and an ACORD 27 or similar form of certificate in favor of Mortgagee as additional insured and loss payee, as appropriate. Mortgagee shall have the right to hold the policies, or binders thereof acceptable to Mortgagee,

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and Mortgagor shall promptly furnish to Mortgagee all renewal notices and all receipts of paid premiums. Mortgagee's status as an additional insured and loss payee shall be evidenced by endorsements to the relevant policies. At least thirty (30) days prior to the expiration date of any such policy, Mortgagor shall deliver to Mortgagee a renewal policy, or binder thereof, in form satisfactory to Mortgagee.

Section 2.06. Tax and Insurance Escrow. Mortgagor agrees that upon an Event of Default if Mortgagee so requests, Mortgagor shall pay to Mortgagee in monthly installments pursuant to the Note an amount equal to one-twelfth (1/12th) of the amounts of what Mortgagee estimates is necessary to pay, on an annualized basis, all amounts payable by Mortgagor under Sections 2.03 and 2.05 above (the "Tax and Insurance Payments") to enable Mortgagee to pay the same at least thirty (30) days before the same would become due; and, on demand from time to time shall pay to Mortgagee additional sums necessary to pay the Tax and Insurance Payments. In the event that Mortgagor does not pay or cause to be paid the Tax and Insurance Payments, then Mortgagee may, but shall not be obligated to, pay such sums and any money so paid by Mortgagee shall be reimbursed to Mortgagee by Mortgagor. If an Event of Default occurs, Mortgagee shall have the right, at its election, to apply any amounts so held under this Section against all or any part of the secured indebtedness, or in payment of the Tax and Insurance Payments for which the amounts are deposited. Mortgagor will furnish to Mortgagee bills for premiums and taxes thirty (30) days before the same become due or delinquent, and Mortgagee shall provide to Mortgagor, without charge, an annual accounting of the Tax and Insurance Payments showing credits and debits and the purpose for which each debit to the amounts paid to Mortgagee to make the Tax and Insurance Payments is made. Mortgagor will promptly provide to Mortgagee proof of timely payment of all such taxes. The amounts paid by Mortgagor to Mortgagee pursuant to this Section are pledged as additional security for the sum secured by this Mortgage. Upon payment in full of all sums secured by this Mortgage, Mortgagee shall promptly refund to Mortgagor any amounts paid by Mortgagor to Mortgagee for the Tax and Insurance Payments then held by Mortgagee.

Section 2.07. Covenant To Maintain, Repair and Replace Mortgaged Property. Mortgagor will, at all times, maintain, preserve and keep the Mortgaged Property in good repair, working order and condition and will not commit or suffer any waste thereof, reasonable wear and tear excepted. Mortgagor shall, from time to time, if and when required by Mortgagee (1) perform a site investigation of the Property to determine the existence and levels of hazardous or toxic substances on the Mortgaged Property, (2) issue a report certifying the results of such inspection to Mortgagee, and (3) take such remedial action as may be reasonably required by Mortgagee based upon such report.

Section 2.08. Covenant of Further Assurances. Mortgagor will execute and deliver such further instruments and do such further acts as may be reasonably necessary or appropriate to carry out more effectively the purposes of this Mortgage or to protect or preserve the lien hereof or extend such lien to after acquired property.

(a) Right of Mortgagee To Perform Covenants on Behalf of Mortgagor. Upon the failure of Mortgagor to keep, observe and perform any of the covenants and agreements contained in this Mortgage, the Note, or any other Loan Document within the time period given

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in any such document for the observance or performance thereof, Mortgagee shall be, in its reasonable discretion, forthwith entitled, in conjunction with or in addition to any other remedy herein provided, to perform or cause the same to be performed on behalf of Mortgagor and the Mortgaged Property, and any amounts so advanced or expended by Mortgagee in performing or securing the performance thereof shall, immediately upon such performance, become due and payable by Mortgagor to Mortgagee, shall bear per annum interest at the rate equal to the default rate under the Note and shall, together with the interest thereon, become a part of the Obligations secured under this Mortgage. No such advance shall relieve Mortgagor from any default. Unless the Mortgagor provides the Lender evidence of the insurance coverages required hereunder, the Lender may purchase insurance at the Mortgagor's expense to cover the Lender's interest in the Premises. The insurance may, but need not, protect the Mortgagor's interest. The coverages that the Lender purchases may not pay any claim that the Mortgagor makes or any claim that is made against the Mortgagor in connection with the Premises. The Mortgagor may later cancel any insurance purchased by the Lender, but only after providing the Lender with evidence that the Mortgagor has obtained insurance as required by this Mortgage. If the Lender purchases insurance for the Premises, the Mortgagor will be responsible for the costs of such insurance, including, without limitation, interest and any other charges which the Lender may impose 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 may be added to the Indebtedness. The cost of the insurance may be more than the cost of insurance the Mortgagor may be able to obtain on its own.

Section 2.09. Nothing herein contained shall be construed to require Mortgagee to advance or expend money or moneys for any such purpose or purposes. The rights of Mortgagee under this Section are in addition to all rights granted Mortgagee in this Mortgage, the Note and all other Loan Documents.

Section 2.10. Damage or Destruction. Mortgagor shall give prompt written notice to the insurance carrier and Mortgagee of any loss or damage to the Mortgaged Property as the result of fire or other casualty. Mortgagee may make proof of loss in connection with such loss or damage if not made promptly by Mortgagor. Unless Mortgagee and Mortgagor otherwise agree in writing, all insurance proceeds payable for such loss or damage shall be applied to restoration or repair of the Mortgaged Property, provided that such restoration or repair is economically feasible in Mortgagee's reasonable determination and Mortgagee's security is not diminished thereby. If Mortgagee reasonably determines that restoration or repair is not economically feasible or that Mortgagee's security hereunder would thereby be impaired, the insurance proceeds shall be applied to the sum secured by this Mortgage, whether or not then due, with any excess paid to Mortgagor. If Mortgagor abandons the Mortgaged Property or does not respond within thirty (30) days to a written notice from Mortgagee that the insurance carrier has offered to settle a claim, then Mortgagee may collect all insurance proceeds and Mortgagee, in its sole discretion, may apply such proceeds to repair or restore the Mortgaged Property or apply the same against the sum secured by this Mortgage, whether or not then due. Said thirty (30) days period will commence when Mortgagee gives such notice to Mortgagor. Unless Mortgagee and Mortgagor otherwise agree in writing, any application of insurance proceeds to the principal amount secured hereby shall not extend or postpone the due date of monthly payments required by the Note or alter the amount of any such monthly payment. If title to the Mortgaged Property

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is acquired by Mortgagee, Mortgagor's right to receive any insurance proceeds resulting from damage or other casualty to the Mortgaged Property prior to such acquisition shall pass to Mortgagee to the extent of the sum secured by this Mortgage immediately prior to such acquisition.

Section 2.11. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation, taking by power of eminent domain or other taking of any part of the Mortgaged Property, or for conveyance in lieu of condemnation, are hereby fully assigned and shall be paid to Mortgagee. In the event of a total or partial taking of the Mortgaged Property, unless Mortgagee and Mortgagor otherwise agree in writing, the proceeds shall be applied to the restoration or repair of the Mortgaged Property, provided that such restoration or repair is economically feasible in Mortgagee's reasonable determination and Mortgagee's security is not diminished thereby. If Mortgagee reasonably determines that restoration or repair is not economically feasible or that Mortgagee's security hereunder would thereby be impaired, the proceeds shall be applied to the sum secured by this Mortgage, whether or not then due, with any excess paid to Mortgagor.

If the Mortgaged Property is abandoned by Mortgagor, or if, after notice by Mortgagee to Mortgagor, that the condemnor offers to make an award or settle the claim for damages, and Mortgagor fails to respond to Mortgagee within thirty (30) days after the date such notice is given to Mortgagor by Mortgagee, Mortgagee is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Mortgaged Property or to the sum secured by this Mortgage, whether or not then due. Unless Mortgagee and Mortgagor otherwise agree in writing, any application of proceeds to principal under the Note shall not extend or postpone the due date of the monthly payments under the Note or change the amount of such payments.

Section 2.12. Indemnification for Legal Expenses. If any action or proceeding be commenced (except an action to foreclose this Mortgage or to collect or otherwise secure the performance of the Obligations), to which action or proceeding Mortgagee is made a party by virtue of the existence of this Mortgage or a party because it becomes necessary in the opinion of Mortgagee to defend and uphold the lien of this Mortgage, all sums paid by Mortgagee for the expense of any litigation to prosecute and defend the rights and lien granted by this Mortgage (including reasonable counsel fees, costs and allowances) shall, together with per annum interest thereon at the rate equal to the Default Rate, be a further lien on the Mortgaged Property and secured by this Mortgage, and shall be collectible thereupon and thereby in like manner as the principal sum, and paid by Mortgagor upon demand. Nothing in this Section shall be deemed to limit or preclude the recovery of all applicable statutory costs, allowances and disbursements, including reasonable attorneys' fees, in any action to foreclose this Mortgage or to collect or otherwise secure the performance of the Obligations.

Section 2.13. Payment of Filing Fees. Mortgagor will pay all filing fees for the filing of this instrument or of financing statements filed to perfect the security interest provided in this Mortgage or in connection with this Mortgage.

Section 2.14. Security Agreement. This Mortgage is intended to be a security agreement pursuant to the Uniform Commercial Code as in effect in the state of Illinois from



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time to time (the "UCC") for any of the personal property and fixtures described herein. Mortgagor agrees to execute and deliver to Mortgagee UCC financing statements covering said personal property and fixtures from time to time and in such form as Mortgagee may reasonably require to perfect or maintain the priority of Mortgagee's security interest with respect to said personal property and fixtures, and Mortgagor shall bear all costs thereof. Mortgagor will not create or suffer to be created any other security interest in said personal property and fixtures, including replacements thereof and additions thereto, except as otherwise authorized pursuant to the Loan Documents. Upon the occurrence of any Event of Default, Mortgagee shall have the remedies of a secured party under the UCC and, at Mortgagee's option, may also invoke the remedies provided herein with respect to such property. Mortgagor further appoints Mortgagee as its attorney-in-fact, which appointment is irrevocable and coupled with an interest, to execute and file on Mortgagor's behalf a financing statement or statements in those public offices deemed necessary by Mortgagee and to file duplicates of any financing statements as determined by Mortgagee.

Section 2.15. Covenants Regarding Possession of Chattels. Mortgagor shall have possession of the Chattels, except where expressly otherwise provided in this Mortgage or where Mortgagee chooses to perfect its security interest by possession in addition to the filing of a financing statement. Where Chattels are in the possession of a third party, Mortgagor will join with Mortgagee in notifying the third party of Mortgagee's security interest and obtaining an acknowledgment from the third party that it is holding the Chattels for the benefit of Mortgagee. Mortgagor will cooperate with Mortgagee in obtaining control with respect to Chattels consisting of deposit account, investment property, letter of credit rights, and electronic chattel paper. Mortgagor will not create any chattel paper without placing a legend on the chattel paper acceptable to Mortgagee indicating that Mortgagee has a security interest therein.

Section 2.16. Additional Covenants. Mortgagor covenants and agrees that Mortgagee shall have the right at any time after a default by Mortgagor to enforce Mortgagor's rights against account debtors and obligors. Mortgagor further acknowledges and agrees that Mortgagee does not authorize, and Mortgagor agrees not to, make any sales or leases of any of the Chattels except in the ordinary course of business, license any of the Chattels, or grant any other security interest in any of the Chattels. Until the Obligations are paid in full, Mortgagor agrees that it will preserve its company existence and not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, change the state of its organization, or change its legal name without providing Mortgagee with thirty (30) days prior written notice.

Section 2.17. Inspection. Mortgagee, or its duly authorized agent, shall have the right to enter any portion of the Mortgaged Property, at all reasonable hours of the day, upon not less than twenty four (24) hours prior notice to the Mortgagor for the purpose of examining and inspecting the same.

Section 2.18. No Conveyances of Interest. Except as otherwise permitted in the Loan Documents, Mortgagor will not sell, assign, mortgage, lease (other than in the ordinary course of business) or otherwise convey or encumber the Mortgaged Property or any interest in Mortgagor, or any part thereof or interest therein, legal or equitable, or contract for same without the written consent of Mortgagee, which consent may be withheld in Mortgagee's sole discretion. Unless

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Mortgagee otherwise agrees in writing, Mortgagor shall not allow changes in the nature of the occupancy for which the Real Estate and Improvements were intended at the time this Mortgage was executed, and Mortgagor shall not initiate nor acquiesce in any change in the zoning classification of the Real Estate or any part thereof without Mortgagee's prior written consent, which consent may be withheld in Mortgagee's sole discretion. It is expressly understood and agreed that any such consent by Mortgagee, if given, shall be upon such terms and conditions as Mortgagee may, in its discretion, prescribe, including but not by way of limitation, an increase in the interest rate provided for in the Note and the payment by Mortgagor or a purchaser of any service fee of Mortgagee.

Section 2.19. Compliance With Agreements, Laws, etc. Mortgagor agrees to perform, comply with all covenants, agreements and restrictions materially affecting the Mortgaged Property and with all laws, ordinances, acts, rules, regulations and orders of any legislative, executive, administrative or judicial body, commission or officer (whether federal, state or local) exercising any power or regulation or supervision over Mortgagor, or any part of the Mortgaged Property, whether now or hereafter enacted and in force, whether the same be directed to the erection, repair, manner of use or structural alteration of buildings or otherwise. Mortgagor further agrees (i) to comply with the terms of all insurance policies covering or applicable to the Mortgaged Property, all requirements of the issuer of any such policy, and all orders, rules, regulations and other requirements of or standards recommended by the National and Regional Fire Protection Associations (or any other body exercising similar functions) applicable to or affecting the Mortgaged Property, or any use or condition of the Mortgaged Property, and (ii) to procure, maintain and comply with, all licenses or other authorizations required for the intended use of the Mortgaged Property then being made by Mortgagor or any other party, and for the proper erection, installation, operation and maintenance of the Improvements and Chattels or any part thereof.

Section 2.20. No Modification of Permitted Encumbrances. Mortgagor shall not modify or permit any modification of any Permitted Encumbrance, without the prior written consent of Mortgagee.

Section 2.21. Hazardous Substances.

(a) Mortgagor hereby represents, warrants, covenants and agrees to and with Mortgagee that, to Mortgagee's knowledge, the Mortgaged Property has never been used for any of (i) a sanitary land fill, (ii) a dump, or (iii) a disposal site for waste, oil, pesticides or toxic substances or materials of any kind, and no such waste, oil, pesticides, substances or materials have been deposited or are located in, under or upon the Mortgaged Property or any adjacent parcels thereto, and no part of the Mortgaged Property or any adjacent parcels thereto, including the ground water located thereon, is presently contaminated by any such waste, oil, pesticides, substances or materials or mold or other microbial materials.

None of Mortgagor, his agents or any tenants under any leases (i) have received any notice of any hazardous or other waste substances or materials in, under or upon the Mortgaged Property or of any violation of any environmental protection laws or regulations with respect to

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the Mortgaged Property or (ii) know of any basis for any such notice or violation with respect to the Mortgaged Property.

Mortgagor covenants and agrees with Mortgagee that, all toxic substances or materials, within the definition of any applicable statute or regulation, which may be used by any person for any purpose upon the Mortgaged Property shall be used or stored thereon only in a safe, approved manner, in accordance with all industrial standards and all laws, regulations and requirements for such storage promulgated by any governmental authority, that the Mortgaged Property will not be used for the principal purpose of storing such substances and that no such storage or use will otherwise be allowed on the Mortgaged Property or any adjacent parcels thereto which will cause, or which will increase the likelihood of causing, the release of such substances onto the Mortgaged Property or any adjacent parcels thereto. Mortgagor shall protect, defend, indemnify and hold Mortgagee harmless from and against all loss, cost (including attorneys' fees), liability and damage whatsoever incurred by Mortgagee by reason of any violation of any applicable statute or regulation for the protection of the environment which occurs upon the Mortgaged Property, or by reason of the imposition of any governmental lien for the recovery of environmental cleanup costs expended by reason of such violation, without regard to fault on the part of Mortgagor (except for costs caused directly by Mortgagee).

The covenants, representations, warranties and indemnities contained in this Section 2.21 shall survive the payment in full of the principal and interest under the Note and the release of this Mortgage.

(b) In the event any investigation or monitoring of site conditions or any clean-up, containment, restoration, removal or other remedial work (collectively, the "Remedial Work") is required under any applicable federal, state or local law or regulation, by any judicial order, or by any governmental entity, or in order to comply with any agreement entered into because of, or in connection with, any occurrence or event described in this Section, Mortgagor shall perform or cause to be performed the Remedial Work in compliance with such law, regulation, order or agreement. All Remedial Work shall be performed by one or more contractors, selected by Mortgagor and approved in advance in writing by Mortgagee, and under the supervision of a consulting engineer, selected by Mortgagor and approved in advance in writing by Mortgagee. All costs and expenses of such Remedial Work shall be paid by Mortgagor, including, without limitation, the charges of such contractor(s) and/or the consulting engineer, Mortgagee's reasonable attorneys', architects' and/or consultants' fees and costs incurred in connection with monitoring or review of such Remedial Work. In the event Mortgagor shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Mortgagee may, but shall not be required to, cause such Remedial Work to be performed, and all costs and expenses thereof, or incurred in connection therewith, shall be reimbursed to Mortgagee in accordance with Section 2.12 hereof.

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## ARTICLE III

### DEFAULT AND RIGHTS AND REMEDIES OF MORTGAGEE UPON DEFAULT

Section 3.01. Definition of Default. The term "Event of Default," wherever used in this Mortgage, shall mean any default or event of default under the Note or any other Loan Document or any failure of Mortgagor to observe or perform any other covenant or obligation hereunder or under any other Loan Document within the time period given for such performance or observation.

Section 3.02. Acceleration of Maturity on Note. Upon any Event of Default, the unpaid balance of the Obligations with respect to this Note shall, at the option of Mortgagee, become immediately due and payable. Notice of the exercise of this option is hereby waived by Mortgagor.

Section 3.03. Mortgagee's Right to Possession or Appointment of Receiver. Upon any Event of Default, Mortgagee shall be, in its discretion, forthwith entitled to possession of any or all of the Mortgaged Property and the appointment of a receiver of any or all the Mortgaged Property, and of the rents, issues, income and profits thereof, for such period and with such powers as the court making the appointment may confer, or as are otherwise provided by law. Mortgagor hereby consents to such appointment.

Section 3.04. Foreclosure and Other Legal Remedies. Upon any Event of Default, Mortgagee shall be, in its discretion, forthwith entitled to protect and enforce its rights under this Mortgage by a suit or suits in equity or at law, for the specific performance of any covenant or agreement in any Note or in this Mortgage contained, or in aid of the execution of any power or right therein or herein granted, or for the full or partial foreclosure of this Mortgage, including the right to sue upon the Note and proceed thereon to judgment for the whole amount then due under this Mortgage, or the enforcement of any other legal or equitable remedy available to Mortgagee. In addition, subject to any applicable law, Mortgagee may enter into or upon any or all of the Mortgaged Property, either personally or by its agents, nominees or attorneys, and dispossess Mortgagor and its agents and servants therefrom, without liability for trespass, damages, or otherwise and exclude Mortgagor and its agents or servants wholly therefrom, and take possession of all books, records, and accounts relating thereto, and Mortgagor agrees to surrender possession of any or all of the Mortgaged Property and of such books, records, and accounts to Mortgagee upon demand, and thereupon Mortgagee may (i) use, operate, manage, control, insure, maintain, repair, restore, complete the construction of the Improvements, applying any undisbursed proceeds of the Loan for such purposes, enforce and perform Mortgagor's obligations under all contracts, and otherwise deal with all and every part of the Mortgaged Property and conduct the business thereat; (ii) complete any construction on any or all of the Mortgaged Property in such manner and form as Mortgagee deems advisable; (iii) make alterations, additions, renewals, replacements, and improvements on or to any or all of the Mortgaged Property; (iv) exercise all rights and powers of Mortgagor with respect to any or all of the Mortgaged Property, whether in the name of Mortgagor or otherwise, including, without limitation, the right to make, cancel, enforce, or modify any contracts, leases, obtain and evict any tenants, and demand, sue for, collect, and receive all rents of the Mortgaged Property and every part thereof; (v) require Mortgagor to pay monthly in advance to Mortgagee, or any

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receiver appointed to collect such amounts, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property as may be occupied by Mortgagor; (vi) require Mortgagor to vacate and surrender possession of any or all of the Mortgaged Property to Mortgagee or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Mortgaged Property to payment of the Obligations, in such order, priority and proportions as Mortgagee shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay taxes, impositions and other charges, insurance and other expenses in connection with the Mortgaged Property, as well as just and reasonable compensation for the services of Mortgagee, its counsel, agents and employees. All expenses incurred by Mortgagee in connection with such legal proceedings, or in any other proceedings wherein it becomes necessary that this Mortgage be allowed or established in court, shall become immediately due and payable by Mortgagor and shall become a part of the Obligations, including, without limiting the generality thereof, reasonable attorneys' fees and litigation preparation expenses, including, without limitation, paraprofessional fees, secretarial overtime, depositions, electronic research, postage, travel, communications and related expenses and costs, the cost of title insurance or continuation of abstracts, and reasonable costs and expenses in connection with preparing the Mortgaged Property for sale, including, without limitation, costs of environmental testing, investigation, reporting, remediation and clean-up, and procuring or preparing any documents or evidence for use in any of the foregoing. In the event of any sale made under or by virtue of a judicial proceeding or decree of foreclosure and sale, or as permitted by law, the Mortgaged Property may be sold in one parcel and as an entirety or in separate parcels or lots, as Mortgagee may determine. Mortgagee may, at its option, foreclose this Mortgage for any portion of the Obligations which is then due and payable, subject to the continuing lien of this Mortgage for the balance of the Obligations not then due and payable. Upon any sale by Mortgagee or by any receiver or public officer, Mortgagee may, if permitted by law and after allowing for costs and expenses of the sale, compensation and other charges in paying the purchase price, apply any portion of or all of the Obligations, in lieu of cash, to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, to the extent of the purchase price. Mortgagee shall have the right to proceed with foreclosure of the liens and security interest evidenced hereby without declaring the entire Obligations due, and in such event any such foreclosure sale may be made subject to the unmatured part of the Obligations; and any such sale shall not in any manner affect the unmatured part of the Obligations, but as to such unmatured part of the Obligations, this Mortgage shall remain in full force and effect just as though no sale had been made.

Section 3.05. Additional Remedies of Mortgagee with Respect to Chattels. Upon any Event of Default, Mortgagee shall have all the rights and remedies permitted under the UCC with respect to the security interest in the chattel property granted hereunder and all rights and remedies authorized under this Mortgage, and other laws. Without limiting the generality of the foregoing, and in conjunction with or in addition thereto, Mortgagee, at its reasonable discretion, may also use any one or more of the following remedies with respect to the chattel property mortgaged hereunder:

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- (a) peaceably enter upon Mortgagor's premises to take possession of, assemble and collect any of the chattel property, or to render it unusable;
- (b) require Mortgagor to assemble any of the chattel property and make it available at a place which Mortgagee designates, which is mutually convenient to allow Mortgagee to take possession and dispose of said chattel property;
- (c) waive any default or remedy any default in any reasonable manner, without waiving the default remedied and without waiving any other prior or subsequent defaults;
- (d) give any notice or notification to Mortgagor required by the Uniform Commercial Code, by mailing such notice, postage prepaid, at least ten (10) days before the event, if any, which is the subject of the notice, to Mortgagor at its last known address;
- (e) incur reasonable attorneys' fees and legal expenses in exercising any of its rights and remedies upon Mortgagor's default, which shall become part of its reasonable expense of retaking, holding, preparing for sale, and the like. Mortgagor shall pay any and all reasonable attorneys' fees and legal expenses resulting from Mortgagee's exercise of its rights and remedies upon Mortgagor's default.

Section 3.06. Remedies Are Cumulative. No remedy herein conferred upon or reserved to Mortgagee is intended to be or shall be exclusive of any other remedy, but every remedy herein provided shall be cumulative and shall be in addition to every other remedy given hereunder, or in any instrument executed in connection herewith, or now or hereafter existing at law or in equity, or by statute; and every such right and remedy may be exercised from time to time and as often as may be deemed expedient.

In the event that Mortgagee: (a) grants any extension of time or forbearance with respect to the payment of any indebtedness secured by this Mortgage; (b) takes other or additional security for the payment thereof; (c) waives or fails to exercise any right granted herein or under the Note; (d) grants any release, with or without consideration, of the whole or any part of the security held for the payment of the debt secured hereby; or (e) amends or modifies in any respect with the consent of Mortgagor any of the terms and provisions hereof or of the Note; then and in any such event, such act or omission to act shall not release Mortgagor or any co-maker, surety, or guarantor of this Mortgage or of the Note, under any covenant of this Mortgage or of the Note, nor preclude Mortgagee from exercising any right, power, or privilege herein granted or intended to be granted in the event of any other Event of Default then made or any subsequent Event of Default and without in any wise impairing or affecting the lien or priority of this Mortgage.

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## ARTICLE IV MISCELLANEOUS

Section 4.01. Successors and Assigns. Reference in this Mortgage to Mortgagor and Mortgagee shall in each case be deemed to include the successors and assigns of such party, and all the covenants, stipulations and agreements herein contained are and shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

Section 4.02. Separability of Provisions. In the event any one or more of the provisions contained in this Mortgage or in the Note, the performance of which are secured hereunder, should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

Section 4.03. Applicable Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 4.04. Notice. All notices, requests, demands and other communications provided for hereunder shall be in writing (including telegraphic communication) and mailed by certified or registered mail or telegraphed or delivered to the applicable party at the address indicated below:

If to Mortgagee:                   Equity Funding, LLC  
P.O. Box 2743  
Seattle, Washington 98111-2243

With copy to:                   Bryan B. Woodruff  
Bose McKinney & Evans LLP  
2700 First Indiana Plaza  
135 North Pennsylvania Street  
Indianapolis, Indiana 46204

If to Mortgagor:                   GLC Development Partners, LLC  
1566 West Algonquin Road #156  
Hoffman Estates, Illinois 60195

or, as to each party, at such other address as shall be designated by such parties in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall, when mailed or telegraphed, be effective when deposited in the mails or delivered to the telegraph company, respectively, addressed as aforesaid.

Section 4.05. General Provisions. Whenever the context hereof requires, reference herein made to the singular number shall be understood as including the plural, and, likewise, the plural shall be understood as denoting the singular, and specific enumeration shall not exclude the general but shall be considered as cumulative.

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The headings and titles of the various articles and sections contained herein are inserted for the purpose of description only and are in no way to be construed as limiting or modifying the content of any such article or section. References to Sections and Articles shall be to Sections and Articles of this Mortgage, unless otherwise specified. This Mortgage may be executed in counterparts, each of which shall constitute an original.

Section 4.06. Duplicate Financing Statements. A carbon, photographic or other reproduction of this Mortgage or of any financing statement relating to this Mortgage shall be sufficient as a financing statement.

Section 4.07. Mortgage Constitutes Financing Statement. This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Mortgaged Property and is to be filed for record in the real estate records in the Office of the County Recorder where the Real Estate (including said fixtures) is situated. The mailing address of Mortgagor set forth in this Mortgage and the address of Mortgagee from which information concerning the security interest may be obtained is the mailing address of Mortgagee set forth in this Mortgage.

Section 4.08. Miscellaneous

(a) Mortgagor shall not apply for or avail itself of any appraisal, valuation, redemption, reinstatement, 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 all such laws. (The preceding sentence applies to this Mortgage only if the premises are not residential real estate as defined in the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101, *et seq.*)

(b) Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the Mortgage Property marshalled upon any foreclosure and agrees that any court having jurisdiction to foreclose such lien may order the premises sold as an entirety.

(c) Mortgagor hereby waives all rights by virtue of the Illinois Homestead Exemption Laws and all right to retain possession of the Mortgaged Property after any default under this Mortgage.



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Mortgagor has caused this Mortgage to be executed as of this 10<sup>th</sup> day of March, 2008.

GLC DEVELOPMENT PARTNERS, LLC

By: 

Gustan L. Cho, Managing Director

"Mortgagor"

Property of Cook County Clerk's Office

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STATE OF Indiana )  
 ) SS:  
COUNTY OF Marion )

Before me, a Notary Public in and for the State of Indiana, personally appeared Gustan L. Cho, the Managing Director of GLC Development Partners, LLC by me known, who acknowledged the execution of the foregoing "Mortgage and Security Agreement", and who, being first duly sworn, stated that he is duly authorized to execute such Mortgage and Security Agreement and that any representations contained therein are true.

WITNESS my hand and Notarial Seal this 10<sup>th</sup> day of March, 2008.

Mary J. Beatty  
Notary Public

Printed: Mary J. Beatty

My commission expires:

12-29-10

My county of residence:

Marion

**UNOFFICIAL COPY****EXHIBIT A**

**PARCEL # 24-22-202-003-0000**  
**4050 W. 115<sup>th</sup> St, Chicago, IL**

**[LEGAL DESCRIPTION]**

PARCEL A: THE EAST 15 ACRES (EXCEPT THE EAST 195 FEET AND EXCEPT THE SOUTH 50 FEET THEREOF) OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, WHICH IS ALSO KNOWN AS:

PARCEL 1: THE NORTH 160.0 FEET OF THE SOUTH 530 FEET OF THE EAST 15 ACRES (EXCEPT THE EAST 195.00 FEET THEREOF) OF THE SOUTH EAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN; ALSO

PARCEL 2: THE NORTH 160 FEET OF THE SOUTH 690.0 FEET OF THE EAST 15 ACRES (EXCEPT THE EAST 195.0 FEET THEREOF) OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN; ALSO

PARCEL 3: THE NORTH 160.0 FEET OF THE SOUTH 850.0 FEET OF THE EAST 15 ACRES (EXCEPT THE EAST 195.0 FEET THEREOF) OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN; ALSO

PARCEL 4: THE NORTH 160.0 FEET OF THE SOUTH 1010.0 FEET OF THE EAST 15 ACRES (EXCEPT THE EAST 195.0 FEET THEREOF) OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN; ALSO

PARCEL 5: THE NORTH 160.0 FEET OF THE SOUTH 1170.0 FEET OF THE EAST 15 ACRES (EXCEPT THE EAST 195.0 FEET THEREOF) OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN; ALSO

PARCEL 6: THE EAST 15 ACRES (EXCEPT THE EAST 195.0 FEET THEREOF AND EXCEPT THE SOUTH 1170.0 FEET THEREOF) OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN; PARCEL 6 ABOVE IS ALSO DESCRIBED AS FOLLOWS: ALSO KNOWN AS THE NORTH 159.87 FEET OF THE SOUTH 1329.87 FEET OF THE EAST 15 ACRES (EXCEPT THE EAST 195.0 FEET THEREOF) OF THE

SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; ALSO

PARCEL 7: THE NORTH 320 FEET OF THE SOUTH 370.0 FEET (EXCEPT THE EAST 195.0 FEET THEREOF) OF THE EAST 15 ACRES OF THE SOUTHEAST AT 1/4 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS, ALSO

PARCEL B: EASEMENT FOR THE BENEFIT OF PARCELS, 1, 2, 3, 4, 5, 6, AND 7 AS SET FORTH IN THREE DEEDS OF DECLARATION BY BEVERLY BANK, A CORPORATION OF ILLINOIS, AS SUCCESSOR TRUSTEE UNDER TRUST AGREEMENT DATED April 21, 1969 AND KNOWN AS TRUST NUMBER 8-1797 DATED October 27, 1970 AND RECORDED October 28, 1970 AS DOCUMENT 21302093, AS CREATED BY DEED FROM BEVERLY BANK, A CORPORATION OF ILLINOIS, AS SUCCESSOR TRUSTEE UNDER TRUST AGREEMENT DATED April 21, 1969 AND KNOWN AS TRUST NUMBER 8-1797 TO JOANNE M. Jennings, DATED MARCH 18, 1971 AND RECORDED MAY 19, 1971 AS DOCUMENT 21484050, DATED MARCH 18, 1971 AND RECORDED July 1, 1971 AS DOCUMENT 21531904 AND DATED MARCH 18, 1971 AND RECORDED July 1, 1971 AS DOCUMENT 21531907, FOR INGRESS AND EGRESS AND DRIVEWAY OVER, ACROSS AND UPON THE EAST 20 FEET OF THE WEST 40 FEET OF THE EAST 15 ACRES (EXCEPT THE EAST 195.0 FEET AND EXCEPT THE SOUTH 50 FEET THEREOF) OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 37 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO FOR INGRESS AND EGRESS, DRIVEWAY AND SWIMMING POOL OVER THE PORTION OF THE ENTIRE DEVELOPMENT DELINEATED ON EXHIBIT "A" ATTACHED TO THE DEED OF DECLARATION RECORDED October 28, 1970 AS DOCUMENT 21302093, ALL IN COOK COUNTY, ILLINOIS.

**UNOFFICIAL COPY****SCHEDULE B****PERMITTED ENCUMBRANCES**

(GLC Development Partners, LLC, Cook County, IL)

1. **TAXES FOR THE YEARS 2007 AND 2008.**  
2007 AND 2008 TAXES ARE NOT YET DUE OR PAYABLE  
  
PERMANENT INDEX NUMBER: 24-22-202-003-0000
2. **MORTGAGE DATED SEPTEMBER 5, 1997 AND RECORDED SEPTEMBER 5, 1997 AS DOCUMENT 97655188 MADE BY AMERICAN NATIONAL BANK & TRUST COMPANY, AS TRUSTEE UNDER TRUST AGREEMENT DATED SEPTEMBER 1, 1983 & KNOWN AS TRUST NUMBER 59116 TO REILLY MORTGAGE CAPITAL CORPORATION IN THE AMOUNT OF \$10,000,000.00.**  
  
ASSIGNMENT OF MORTGAGE DATED SEPTEMBER 5, 1997 AND RECORDED SEPTEMBER 5, 1997 AS DOCUMENT 97655189 MADE BY AMERICAN NATIONAL BANK & TRUST COMPANY, AS TRUSTEE UNDER TRUST AGREEMENT DATED SEPTEMBER 1, 1983 & KNOWN AS TRUST NUMBER 59116  
  
NOTE: POLICY MODIFICATION 12B ENDORSEMENT APPROVED FOR THE LOAN POLICY
3. **MORTGAGE DATED MARCH 22, 2002 AND RECORDED MARCH 29, 2002 AS DOCUMENT 0020358776 MADE BY SOUTHGATE, LLC, A DELAWARE LIMITED LIABILITY COMPANY TO REILLY MORTGAGE CAPITAL CORPORATION IN THE AMOUNT OF \$2,835,000.00.**  
  
ASSIGNMENT OF MORTGAGE DATED MARCH 22, 2002 AND RECORDED MARCH 29, 2002 AS DOCUMENT 002035877 TO FANNIE MAE.  
  
NOTE: POLICY MODIFICATION ENDORSEMENT 12B APPROVED FOR THE LOAN POLICY
4. **EXISTING UNRECORDED LEASE MADE BY SOUTHGATE ASSOCIATES, AN ILLINOIS LIMITED PARTNERSHIP, TO BEST COIN, INC. NOW KNOWN AS MACKE LAUNDRY SERVICE, DATED MARCH 4, 1985 AND ASSIGNED TO COIN-MACH AS DISCLOSED BY THE SUBORDINATION AGREEMENT RECORDED AS DOCUMENT 97675021.**
5. **EASEMENT TO INSTALL AND MAINTAIN ALL EQUIPMENT FOR THE PURPOSE OF SERVING THE LAND AND OTHER PROPERTY WITH TELEPHONE AND ELECTRIC SERVICE, TOGETHER WITH RIGHT OF ACCESS TO SAID EQUIPMENT, AS CREATED BY GRANT TO THE COMMONWEALTH EDISON COMPANY AND THE ILLINOIS BELL TELEPHONE COMPANY, BOTH CORPORATIONS OF ILLINOIS RECORDED NOVEMBER 13, 1969 AS DOCUMENT 21011567 IN, UPON, UNDER, OVER AND ALONG THAT PART OF PARCEL 1 AS DEPICTED ON THE PLAT ATTACHED THERETO.**  
  
(AFFECTS PARCEL 7)
6. **EASEMENT IN FAVOR OF THE CITY OF CHICAGO, AS GRANTED BY BEVERLY BANK, A CORPORATION OF ILLINOIS, AS TRUSTEE UNDER TRUST AGREEMENT DATED SEPTEMBER 7, 1967 AND KNOWN AS TRUST NUMBER 81133 AND AS CONTAINED IN ORDINANCE DATED DECEMBER 12, 1969 AND RECORDED JANUARY 16, 1970 AS DOCUMENT 21059783 WHEREBY THE CITY OF CHICAGO HAS A RIGHT OF WAY IN AND TO, WITH THE RIGHT, PRIVILEGE AND AUTHORITY TO CONSTRUCT, MAINTAIN, CLEAN, REPAIR, ALTER USE, AND OPERATE WATER APPURTENANCES AND SANITARY SEWERS WITH RIGHT OF ACCESS THERETO, OVER, UPON AND UNDER A STRIP OF LAND DESCRIBED AS FOLLOWS:**  
  
THAT PART OF THE EAST 15 ACRES (EXCEPT THE EAST 195 FEET THEREOF) OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND DESCRIBED AS FOLLOWS:

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BEGINNING AT THE INTERSECTION OF THE WEST LINE OF SAID EAST 195.0 FEET AND THE NORTH LINE OF WEST 115TH STREET; THENCE NORTH ALONG SAID WEST LINE OF SAID EAST 195.0 FEET, 1279.87 FEET TO THE NORTH SIDE OF SAID SOUTHEAST 1/4 OF THE NORTHEAST 1/4; THENCE WEST ALONG SAID NORTH LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4, 10.0 FEET; THENCE SOUTH TO A POINT TO THE WEST LINE OF THE EAST 195.0 FEET, 1264.87 FEET; THENCE SOUTHWEST 24.90 FEET TO A POINT ON SAID NORTH LINE OF WEST 115TH STREET, 30.0 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

NOTE: SAID EASEMENT IS SHOWN ON THE PLAT OF EASEMENT RECORDED JANUARY 21, 1970 AS DOCUMENT 21062477.

(AFFECTS PARTS OF PARCELS 1 TO 7)

7. EASEMENT FOR INGRESS AND EGRESS TO AND FOR THE USE, MAINTENANCE, REPAIR AND REPLACEMENT OF SWIMMING POOL CREATED BY AND SHOWN ON EXHIBIT "A" ON DEED OF DECLARATION BY BEVERLY BANK, A CORPORATION OF ILLIOIS, AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 21, 1969 AND KNOWN AS TRUST NUMBER 81797 DATED OCTOBER 27, 1970 AND RECORDED OCTOBER 28, 1970 AS DOCUMENT 21302093.

(AFFECTS PARCELS 2 AND 3)

8. EASEMENT OF THE CITY OF CHICAGO IN AND TO THE EAST 20 FEET OF THE WEST 40 FEET OF THE LAND FOR THE INSTALLATION AND OPERATION OF SEWERS AS DISCLOSED BY AN INSPECTOR'S REPORT.

(AFFECTS ALL)

9. RECIPROCAL EASEMENTS FOR THE BENEFIT OF PARCELS 1 THROUGH 7 INCLUSIVE AS SET FORTH IN DEED OF DECLARATION DATED OCTOBER 27, 1970 AND RECORDED AS DOCUMENT 21302093, MADE BY BEVERLY BANK, AN ILLINOIS CORPORATION AS SUCCESSOR TRUSTEE AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 21, 1969 AND KNOWN AS TRUST NUMBER 81797 AND CREATED BY DEEDS RECORDED AS DOCUMENT NUMBERS 21484050, 21531904, AND 21531907 FOR INGRESS AND EGRESS OVER, ACROSS, AND UPON THE EAST 20 FEET OF THE WEST 40 FEET OF THE EAST 15 ACRES (EXCEPT THE EAST 195 FEET AND EXCEPT THE SOUTH 50 FEET THEREOF) OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 37 NORTH, RANGE 13; AND FOR USE OF THE SWIMMING POOL FOR THE PURPOSE OF RECREATION, MAINTENANCE, REPAIR, REPLACEMENT, INGRESS AND EGRESS THERETO; AND PROVISIONS FOR RESERVATION OF RIGHT TO CLOSE EASEMENT TEMPORARILY; FOR PRORATION OF COSTS OF MAINTENANCE OF EASEMENT AMONG OWNERS; FOR ARBITRATION; OTHER COVENANTS CONDITIONS AND TERMS CONTAINED THEREIN.

10. EASEMENT OF THE COMMONWEALTH EDISON COMPANY AND THE ILLINOIS BELL TELEPHONE COMPANY TO USE AND MAINTAIN FACILITIES FOR THE DISTRIBUTION OF ELECTRICITY AND COMMUNICATIONS PURPOSES.

(AFFECTS PARCELS 1 TO 6)

11. GRANT OF EASEMENT RECORDED MARCH 4, 1980 AS DOCUMENT 25381000 MADE BY AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, A NATIONAL BANKING ASSOCIATION, AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 26, 1974 AND KNOWN AS TRUST NUMBER 32915 TO THE METROPOLITAN SANITARY DISTRICT OF GREATER CHICAGO, A MUNICIPAL CORPORATION, WHEREIN THE SANITARY DISTRICT IS ABOUT TO CONSTRUCT INTERCEPTING SEWER, WITH APPURTENANCES THERETO, THE CALUMET INTERCEPTING SEWER 2OR-1 (70-230-2S) AND REQUIRES FOR THE CONSTRUCTION OF AFORESAID SEWER, A PERMANENT SUBTERRANEAN EASEMENT, RIGHT, PRIVILEGE AND AUTHORITY TO CONSTRUCT, RECONSTRUCT, REPAIR, MAINTAIN AND OPERATE SAID SEWER AND SAME IS GRANTED OVER, UNDER AND ALONG THE FOLLOWING DESCRIBED PROPERTY:

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THE PROPERTY AND SPACE LYING BETWEEN ELEVATIONS OF 164 AND 174 FEET (CHICAGO CITY DATUM) AND ALSO LYING WITHIN THE BOUNDARIES PROJECTED VERTICALLY DOWNWARD FROM THE SURFACE OF THE EARTH OF THAT PART OF THE SOUTH EAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS, BEING A TRACT OF LAND BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF 115TH STREET AND THE WEST LINE OF THE EAST 15 ACRES OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 22; THENCE NORTHERLY ALONG THE SAID WEST LINE 6.00 FEET; THENCE SOUTHEASTERLY, 40.45 FEET, TO A POINT OF INTERSECTION WITH THE SAID NORTH RIGHT-OF-WAY LINE; THENCE WESTERLY ALONG SAID NORTH RIGHT-OF-WAY LINE, 40.00 FEET TO THE POINT OF BEGINNING.

(AFFECTS PARCEL 7)

12. EASEMENT OF THE CITY OF CHICAGO TO MAINTAIN WATER MAINS ALONG THE EAST LINE OF THE LAND AS SHOWN ON MAP ATTACHED TO LETTER DATED SEPTEMBER 7, 1983 FROM THE CITY OF CHICAGO DEPARTMENT OF WATER AND ALSO AS DISCLOSED BY PLAT OF SURVEY MADE BY EDWARD J. MOLLOY & ASSOCIATES, LTD., NUMBER 2002-0201, DATED MARCH 19, 2002.
13. EASEMENT OF THE COMMONWEALTH EDISON COMPANY TO MAINTAIN OVERHEAD AND UNDERGROUND ELECTRICAL FACILITIES AS SET FORTH IN MAP ATTACHED TO LETTER DATED SEPTEMBER 23, 1983 AND ALSO AS DISCLOSED BY PLAT OF SURVEY MADE BY EDWARD J. MOLLOY & ASSOCIATES, LTD., NUMBER 2002-0201, DATED MARCH 19, 2002.
14. NOTE: THE LAND IS WITHIN ZONE "C" (AREA OF MINIMAL FLOODING) AS PORTRAYED IN THE FLOOD INSURANCE RATE MAP: COMMUNITY-PANEL NO. 170074 "B", EFFECTIVE DATE JUNE 1, 1981 AS DISCLOSED BY PLAT OF SURVEY MADE BY EDWARD J. MOLLOY & ASSOCIATES, LTD., NUMBER 2004-1151 DATED OCTOBER 15, 2004.
15. POSSIBLE UNRECORDED UTILITY EASEMENT FOR SANITARY SEWER AS DISCLOSED BY 8 INCH CLAY LINE RUNNING THROUGH THE LAND AND A 6 INCH CLAY LINE RUNNING THROUGH THE LAND AS DISCLOSED BY PLAT OF SURVEY MADE BY EDWARD J. MOLLOY & ASSOCIATES, LTD. NUMBER 2002-0201, DATED MARCH 19, 2002.

(AFFECTS THAT PART OF THE LAND AS SHOWN ON SAID PLAT)

16. ENCROACHMENT OF THE CHAIN LINK FENCE LOCATED MAINLY ON THE SHOWN ON THE PLAT OF SURVEY MADE BY EDWARD J. MOLLOY AND ASSOCIATES, LTD. DATED OCTOBER 15, 2004 AS ORDER NO. 2004-1151.
17. MEMORANDUM OF NON-EXCLUSIVE EASEMENT DATED AUGUST 28, 2002 AS DOCUMENT 0325310079 BY SOUTHGATE LLC, GRANTOR AND HORIZON LLC, GRANTEE, FOR THE PURPOSE OF PERMITTING GRANTEE TO DESIGN, CONSTRUCT, INSTALL, OPERATE, MAINTAIN, UPGRADE, REPAIR, REPLACE AND REMOVE EQUIPMENT INSTALLED BY GRANTEE AND GRANTOR FOR THE PURPOSE OF HIGH-SPEED INTERNET ACCESS AND OTHER SERVICES TO THE PROPERTY.