

# UNOFFICIAL COPY

Illinois Anti-Predatory  
Lending Database  
Program



0826156032

Doc#: 0826156032 Fee: \$108.00  
Eugene "Gene" Moore RHSP Fee:\$10.00  
Cook County Recorder of Deeds  
Date: 09/17/2008 03:18 PM Pg: 1 of 37

Certificate of Exemption

Property of Cook County Clerk's Office

The property identified as: **PIN:** 17-04-407-016-1037

**Address:**

**Street:** 1155 W. Dearborn Street, Unit 1401

**Street line 2:**

**City:** Chicago

**State:** IL

**ZIP Code:** 60610

**Lender:** Bank of Lincolnwood

**Borrower:** Frederick S. Latsko

**Loan / Mortgage Amount:** \$400,000.00

This property is located within Cook County and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is not owner-occupied.

**Certificate number:** BC168B0C-E000-42C8-95F8-63C447D38F78

**Execution date:** 08/27/2008

# UNOFFICIAL COPY

This document was prepared  
by and after filing return to:

Bank of Lincolnwood  
4433 West Touhy Avenue  
Lincolnwood, Illinois 60712  
Attn.: Richard Robbins

## MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT (hereinafter "Mortgage") is made this 27<sup>th</sup> day of August, 2008, by Frederick S. Latsko and Julie Klingman (individually and collectively the "Mortgagor"), in favor of Bank of Lincolnwood ("Mortgagee"), 4433 West Touhy Avenue, Lincolnwood, Illinois.

### RECITALS:

A. Loan. Mortgagor is the owner of the real property commonly known as 1155 N. Dearborn Street, Unit No. 1401, Chicago, Cook County, Illinois, and more fully described on Exhibit A attached hereto (the "Property"), together with all improvements thereon. To provide funds to the Mortgagor for business purposes, Mortgagee has agreed to make a loan to Mortgagor in the principal amount of Four Hundred Thousand and No/100 Dollars (\$400,000.00) (the "Loan") pursuant to the terms and conditions set forth herein and in the other Loan Documents (defined below).

B. Note. Mortgagor has executed and delivered to the Mortgagee a Promissory Note in the original principal amount of \$400,000.00 (the "Note") dated the date hereof, bearing interest at the fixed rate per annum of eight percent (8.0%) (the "Interest Rate"). The Note is payable to the order of the Mortgagee and is due and payable in full if not sooner paid on or before August 24, 2009, subject to acceleration or extension as provided in the Note, this Mortgage, or the other Loan Documents, defined below. Interest is payable monthly. All principal and interest on the Note are payable in lawful money of the United States of America at the office of the Mortgagee in Lincolnwood, Illinois, or at such place as the holder thereof may from time to time appoint in writing.

C. Loan Documents. To evidence and secure the obligations and liabilities of Mortgagor to Mortgagee in connection with the Loan, Mortgagor has executed and delivered to the Mortgagee the Note and this Mortgage. The Note, this Mortgage, and all other documents, assignments, mortgages, guaranties, pledges, collateral assignments, security agreements, financing statements, certificates, indemnities

# UNOFFICIAL COPY

and instruments heretofore, now or hereafter given to evidence the Loan or as security for or to guaranty the payment of, or made in connection with the negotiation, origination or extension of, or to perfect or continue the security interest thereby created to secure the Secured Obligations, and all amendments, modifications, supplements, or restatements thereof, whether heretofore, now, or hereafter existing are herein collectively referred to as the Obligations, and all amendments, modifications, supplements, or restatements thereof, whether heretofore, now, or hereafter existing are herein collectively referred to as the "Loan Documents."

**D. The Secured Obligations.** As used in this Mortgage, the term "Secured Obligations" means and includes all of the following: the principal of, interest on, and all amounts of any other kind which become due or owing under the Note; all indebtedness of any kind arising under, and all amounts of any kind which at any time become due or owing to the Mortgagee under or with respect to this Mortgage or any of the other Loan Documents; all of the covenants, obligations and agreements of Mortgagor in, under or pursuant to the Note and the Mortgage in, under or pursuant to this Mortgage, and all of the other Loan Documents, and all advances, costs or expenses paid or incurred by the Mortgagee to protect any or all of the Collateral (hereinafter defined), perform any obligation of the Mortgagor hereunder or collect any amount owing to the Mortgagee which is secured hereby; any and all other liabilities, obligations and indebtedness, howsoever created, arising or evidenced, direct or indirect, absolute or contingent, recourse or nonrecourse, now or hereafter existing or due or to become due, owing by Mortgagor to the Mortgagee (provided, however, that the maximum amount included within the Secured Obligations on account of principal shall not exceed the sum of an amount equal to two times the aggregate original principal amount of the Note plus the total amount of all advances made by the Mortgagee from time to time to protect the Collateral and the security interest and lien created hereby); interest on all of the foregoing; and all costs of enforcement and collection of this Mortgage and the other Loan Documents, if any, and the Secured Obligations.

**E. Collateral.** The term "Collateral," for purposes of this Mortgage, means and includes all of Mortgagor's right, title and interest in and to the following:

(i) **Real Estate.** All of the Property described on Exhibit A attached hereto, together with any and all tenements, rights, easements, hereditaments, rights of way, privileges, liberties, appendages and appurtenances now or hereafter belonging or in any-wise appertaining to the Property (including, without limitation, all rights relating to storm and sanitary sewer, water, gas, electric, railway and telephone services); all air rights, water, water rights, water stock, gas, oil, minerals, coal and other substances of any kind or character underlying or relating to the Land; all estate, claim, demand, right, title or interest of the Mortgagor in and to any street, road, highway, or alley (vacated or otherwise) adjoining the Property or any part thereof; all strips and gores belonging, adjacent or pertaining to the Property; and any after-acquired title to any of the foregoing (all of the foregoing is herein referred to collectively as the "Real Estate");

# UNOFFICIAL COPY

(ii) **Improvements and Fixtures.** All buildings, structures, replacements, furnishings, fixtures, fittings and other improvements and property of every kind and character now or hereafter located or erected on the Real Estate, together with all building or construction materials, equipment, appliances, machinery, plant equipment, fittings, apparatus, fixtures and other articles of any kind or nature whatsoever now or hereafter found on, affixed to or attached to the Real Estate, including (without limitation) all motors, boilers, engines and devices for the operation of pumps, and all heating, electrical, lighting, power, plumbing, air conditioning, refrigeration and ventilation equipment (except to the extent any of the foregoing items in this subparagraph are owned by tenants and such tenants have the right to remove such items at the termination of their Lease (as hereinafter defined)) (all of the foregoing is herein referred to collectively as the "Improvements" all of the Real Estate and the Improvements, and any other property which is real estate under applicable law, is sometimes referred to collectively herein as the "Premises");

(iii) **Personal Property.** All goods, inventory, supplies (including without limitations, machinery, appliances, stoves, refrigerators, water fountains and coolers, fans, heaters, incinerators, compactors, water heaters and similar equipment), signs, supplies, blinds, window shades, carpets, coverings, office equipment, fire sprinklers, alarms, equipment, tools, furnishings, light fixtures, non-structural additions and all other tangible property of any kind or character now or hereafter owned by Mortgagor and used or useful in connection with the Real Estate (all the foregoing, collectively, the "Goods");

(iv) **Intangibles.** All goodwill, trade marks, trade names, option rights purchase contracts, books and records and general intangibles of Mortgagor relating to the Real Estate (all the foregoing, collectively, the "Intangibles");

(v) **Rents.** All rents, issues, profits, royalties, avails, income and other benefits derived or owned by Mortgagor directly or indirectly from the Real Estate or the Improvements (all of the foregoing is herein collectively called the "Rents");

(vi) **Leases.** All rights of Mortgagor under all leases, licenses, occupancy agreements, concessions or other arrangements, whether written or oral, whether now existing or entered into at any time hereafter, whereby any person agrees to pay money or any consideration for the use, possession or occupancy of, or any estate in, the Real Estate or the Improvements or any part thereof, and all rents, income, profits, benefits, avails, advantages and claims against guarantors under any thereof (all of the foregoing is herein referred to collectively as the "Leases");

(vii) **Service Agreements.** All rights and interests of Mortgagor in and under any and all service and other agreements relating to the operation, maintenance, and repair of the Premises or the buildings and improvements thereon ("Service Agreements");

(viii) **Plans and Reports.** All plans, specifications, architectural

# UNOFFICIAL COPY

renderings, licenses, permits, soil test reports, environmental reports, other reports, examinations or analyses ("Reports");

(ix) **Loan Proceeds.** All proceeds, contract rights and payments payable to Mortgagor under any loan commitment for financing of the Premises ("Loan Proceeds");

(x) **Insurance.** All unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained by the Mortgagor and all proceeds of the conversion, voluntary or involuntary, of the Collateral or any part thereof into cash or liquidated claims, including, without limitation, proceeds of hazard and title insurance and all awards and compensation heretofore and hereafter made to the present and all subsequent owners of the Collateral by any governmental or other lawful authorities for the taking by eminent domain, condemnation or otherwise, of all or any part of the Collateral or any easement therein, including awards for any change of grade of streets;

(xi) **Awards.** All judgments, awards of damages and settlements which may result from any damage to the Premises or any part thereof or to any rights appurtenant thereto; all compensation, awards, damages, claims, rights of action and proceeds of, or on account of (i) any damage or taking, pursuant to the power of eminent domain, of the Premises or any part thereof, (ii) any damage to the Premises by reason of the taking, pursuant to the power of eminent domain, of other property or of a portion of the Premises, or (iii) the alteration of the grade of any street or highway on or about the Premises or any part thereof; all proceeds of any sales or other dispositions of the Premises or any part thereof;

(xii) **Betterments.** With all right, title and interest of the Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to the Mortgaged Property, hereafter acquired by, or released to, the Mortgagor or constructed, assembled or placed by the Mortgagor on the Mortgaged Property, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by the Mortgagor, shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by the Mortgagor and specifically described herein;

(xiii) **Other Property.** All other property or rights of the Mortgagor of any kind or character related to the Real Estate or the Improvements, and all proceeds (including, without limitation, insurance and condemnation proceeds) and products of any of the foregoing. It is specifically understood that the enumeration of any specific articles of property shall not exclude or be deemed to exclude any items of property not specifically mentioned. All of the Premises hereinabove described, real, personal and mixed, whether affixed or annexed or not, and all rights hereby conveyed and mortgaged are intended to be as a unit and are hereby understood and agreed and declared to be appropriated to the use of the Premises,

# UNOFFICIAL COPY

and shall for the purposes of this Mortgage be deemed to be real estate and conveyed and mortgaged hereby.

## GRANT

NOW THEREFORE, for and in consideration of Mortgagee's making the proceeds of the loan available to Mortgagor and any other financial accommodation to or for the benefit of Mortgagor, the various agreements contained herein and in the other Loan Documents, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Mortgagor, and in order to secure the full, timely and proper payment and performance of each and every one of the Secured Obligations, MORTGAGOR HEREBY MORTGAGES AND WARRANTS, AND GRANTS, CONVEYS, TRANSFERS AND ASSIGNS TO MORTGAGEE AND ITS SUCCESSORS AND ASSIGNS, FOREVER, A CONTINUING SECURITY INTEREST IN AND TO, THE PREMISES, AND ALL OF THE COLLATERAL, TO HAVE AND TO HOLD, HEREBY EXPRESSLY WAIVING AND RELEASING ANY AND ALL RIGHT, BENEFIT, PRIVILEGE, ADVANTAGE OR EXEMPTION UNDER AND BY VIRTUE OF ANY AND ALL STATUTES AND LAWS OF THE STATE OF ILLINOIS OR OTHER JURISDICTION IN WHICH THE REAL ESTATE IS LOCATED PROVIDING FOR THE EXEMPTION OF HOMESTEADS FROM SALE ON EXECUTION OR OTHERWISE.

PROVIDED NEVERTHELESS, that if the Mortgagor, or its successors or assigns, shall:

(a) timely pay to the Mortgagee, or its successors or assigns, all payments of principal, interest, fees and all other amounts due and owing according to the terms of the Note, this Mortgage and the other Loan Documents; and

(b) timely pay to the Mortgagee, or its successors or assigns, at the times demanded and with interest thereon at the applicable rate of interest specified in the Note (i) in payment of Impositions (defined below) on the Premises, (ii) in payment of insurance premiums covering improvements thereon, (iii) in payment of principal and interest on prior liens, (iv) in payment of expenses and attorney fees herein provided for, and (v) in payment of all sums advanced for any other purpose authorized herein; and

(c) keep and perform all of the covenants and agreements contained in the Note, herein and all other Loan Documents;

then the Mortgagee shall (notwithstanding any covenants or agreements in any Environmental Indemnity Agreement or any other Loan Document that survives the performance by Mortgagor of its obligations under the Loan Documents) release this Mortgage.

Mortgagor hereby covenants with Mortgagee and with the purchaser at any foreclosure sale: that at the execution and delivery hereof it is well seized of the Premises, and of a good, indefeasible estate therein, in fee simple; that the Collateral is free from all encumbrances whatsoever (and any claim of any other person



# UNOFFICIAL COPY

thereto) other than those exceptions and encumbrances permitted by Mortgagee set forth on Exhibit B. attached hereto and made a part hereof (the "Permitted Exceptions"); that it has good and lawful right to sell, mortgage and convey the Collateral; and that Mortgagor and its successors and assigns will forever defend the Collateral against all claims and demands whatsoever.

## I. COVENANTS AND AGREEMENTS OF MORTGAGOR

Further to secure the payment and performance of the Secured Obligations, Mortgagor hereby covenants and agrees with Mortgagee as follows:

**1.1. Payment of Secured Obligations.** Mortgagor agrees that it will pay, timely and in the manner required in the appropriate documents or instruments, the principal of and interest on the Note, and all other Secured Obligations (including fees and charges). All sums payable by Mortgagor hereunder shall be paid without demand, counterclaim, offset, deduction or defense. Mortgagor waives all rights now or hereafter conferred by statute or otherwise to any such demand, counterclaim, offset, deduction or defense.

### **1.2. Impositions.**

**1.2.1. Payment of Taxes.** Mortgagor will pay before delinquent all taxes and assessments, general or special, and any and all levies, claims, charges, expenses and liens, ordinary or extraordinary, governmental or non-governmental, statutory or otherwise, due or to become due (collectively referred to herein as an "Imposition" or "Impositions"), that may be levied, assessed, made, imposed or charged on or against the Collateral or any property used in connection therewith, and will pay before due any tax or other charge on the interest or estate in lands created or represented by this Mortgage or by any of the other Loan Documents, whether levied against Mortgagor or Mortgagee or otherwise, and will submit to Mortgagee all receipts showing payment of all of such taxes, assessments and charges.

Notwithstanding anything to the contrary contained in the foregoing sentence, if, by law, any Imposition, at the option of the taxpayer, can be and customarily is paid in installments, whether or not interest shall accrue on the unpaid balance of such Imposition, Mortgagor may, so long as no Event of Default shall exist under this Mortgage or any other Loan Document, exercise the option to pay such Imposition in installments and, in such event, shall pay such installments, together with any interest thereon, as the same become due and payable and before any fine, penalty, additional interest or cost may be added thereto.

**1.2.2. Funds for Impositions and Insurance.** Mortgagor shall have the right at its own expense to contest the amount or validity, in whole or in part, of any Imposition, by appropriate proceedings diligently conducted in good faith, in which payment of such Impositions may be postponed so long as neither the Premises nor any part thereof would by reason of such postponement or deferment be, in the opinion of the Mortgagee, in danger of being forfeited or lost. Notwithstanding the

# UNOFFICIAL COPY

Mortgagor's right to contest any Imposition, at any time, whether or not any Imposition has been contested, upon request by Mortgagee, Mortgagor shall deposit with Mortgagee or its designee, concurrently with such request and on the first day of each month thereafter during the term hereof, an amount sufficient to discharge the obligations of Mortgagor under Sections 1.2.1 and 1.7 hereof as and when they become due. The determination of the amount payable concurrently with such request and the fractional part to be deposited on the first day of each month thereafter with Mortgagee shall be made by Mortgagee in its discretion based on the prior year's Impositions and insurance premiums and Mortgagee's estimate of the amount by which Impositions and insurance premiums can be expected to rise. Said amounts shall be held by Mortgagee or its designee not in trust and not as agent of Mortgagor, and may be commingled with other funds held by Mortgagee or its designee, and said amounts shall not bear interest, and shall be applied to the payment of the obligations in respect to which the amounts were deposited or, at the option of Mortgagee, to the payment of said obligations in such order or priority as Mortgagee shall determine. If at any time within thirty (30) days prior to the due date of any of the aforementioned obligations the amounts then on deposit therefor shall be insufficient for the payment of such obligation in full, Mortgagor shall within ten (10) days after demand deposit the amount of the deficiency with Mortgagee. If the amounts deposited are in excess of the actual obligations for which they were deposited, Mortgagee may refund any such excess, or, at its option, may hold the same in a reserve account, not in trust and not bearing interest. Nothing herein contained shall be deemed to affect any right or remedy of Mortgagee under any other provision of this Mortgage or under any statute or rule of law to pay any such amount and to add the amount so paid to the Secured Obligations. All amounts so deposited shall be held by Mortgagee or its designee as additional security for the Secured Obligations secured by this Mortgage and upon the occurrence of an Event of Default hereunder Mortgagee may, in its sole and absolute discretion and without regard to the adequacy of its security hereunder, apply such amounts or any portion thereof to any part of the Secured Obligations secured hereby. Any such application of said amounts or any portion thereof to any Secured Obligations shall not be construed to cure or waive any Event of Default or notice of default hereunder or invalidate any act done pursuant to any such Event of Default or notice. Mortgagor shall deliver to Mortgagee all tax bills, bond and assessment statements, statements of insurance premiums, and statements for any other obligations referred to above as soon as the same are received by Mortgagor. If Mortgagee sells or assigns this Mortgage, Mortgagee shall have the right to transfer all amounts deposited under this Section 1.2.2. to the purchaser or assignee, and Mortgagee shall thereupon be released and have no further liability hereunder for the application of such deposits, and Mortgagor shall look solely to such purchaser or assignee for such application and for all responsibility relating to such deposits.

### 1.3. Maintenance and Repair; Protection of Security.

(i) Mortgagor agrees that it: (a) will not abandon or leave the Premises unattended; (b) will not cause, conduct, permit or suffer any stripping or waste of any part of the Premises, or any action or condition which would depreciate or impair the value of the Collateral or the security of this Mortgage; (c) will not remove



# UNOFFICIAL COPY

or demolish any of the Improvements, or make any material changes, additions or alterations to the Premises, without obtaining Mortgagee's prior written consent, which shall not unreasonably be withheld; (d) will promptly perform all repairs, replacements and maintenance necessary to preserve the condition and value of the Collateral, and do all other acts which, from the character and use of the Collateral, are reasonably necessary to protect and preserve the Collateral; (e) will pay promptly for all labor, material, equipment and services furnished or rendered for all repairs, replacements, maintenance and improvements to or on the Premises; and (f) will at all times comply with all laws, ordinances and regulations of all governmental authorities applicable to the use or occupancy of the Premises.

(ii) Mortgagor shall promptly notify Mortgagee of and appear in and defend any suit, action or proceeding that affects the Premises or the rights or interest of Mortgagee hereunder and the Mortgagee may elect to appear in or defend any such action or proceeding. Mortgagor agrees to indemnify, defend and reimburse Mortgagee from any and all loss, damage, expense or cost arising out of or incurred in connection with any such suit, action or proceeding, including costs of evidence of title and reasonable attorney fees and such amounts together with interest thereon at the Interest Rate, shall become additional Secured Obligations secured hereby and shall become immediately due and payable.

#### 1.4. Sales; Liens. Mortgagor shall not:

(i) directly or indirectly sell, contract to sell, assign, transfer, convey, or dispose of the Premises, or any part thereof or any interest or estate therein, whether legal, equitable, beneficial or possessory (including, without limitation, (a) any conveyance into trust, (b) any conveyance, sale or assignment of the beneficial interest in any trust holding title to the Premises, (c) any conveyance, sale or assignment of all or any part of any general partner's interest in a partnership holding title to, or owning a beneficial interest in, the Premises, or (d) the sale, conveyance or assignment of all or substantially all of the issued and outstanding capital stock with voting rights of a corporation holding title to, or owning a beneficial interest in, the Premises), or permit or contract or agree to do any of the foregoing;

(ii) directly or indirectly subject the Premises, or any portion thereof or estate or interest therein (whether legal, equitable, beneficial or otherwise, including, without limitation, the right to receive the rents and profits therefrom), to any mortgage, deed of trust, lien, claim, security interest, encumbrance, assignment or right (whether senior or junior to, or on a parity with, this Mortgage) other than that of Mortgagee, or permit or suffer such circumstance to exist;

(iii) directly or indirectly subject the beneficial interest under any trust holding title to the Premises, or any portion thereof or interest therein (whether legal, equitable, beneficial or otherwise) to any mortgage, deed of trust, lien, claim, security interest, encumbrance, collateral assignment or right (whether senior or junior to, or on a parity with, this Mortgage) other than that of Mortgagee, or permit or suffer such circumstance to exist; or

# UNOFFICIAL COPY

(iv) lease the Premises;

without the prior written consent of Mortgagee, which shall not unreasonably be withheld.

**1.5. Access by Mortgagee.** The Mortgagor will at all times: deliver to Mortgagee either all of its executed originals (in the case of chattel paper or instruments) or certified copies (in all other cases) of all leases, agreements creating or evidencing Intangibles, all amendments and supplements thereto, and any other document which is, or which evidences, governs, or creates, Collateral; permit access by Mortgagee and its agents, representatives, contractors and participants (if any) during normal business hours to its books and records, tenant registers, offices, insurance policies and other papers for examination and the making of copies and extracts; prepare such schedules, summaries, reports and progress schedules as Mortgagee and its agents, representatives, contractors and participants (if any) may reasonably request; and permit Mortgagee and its agents, representatives, contractors and participants (if any), at all reasonable times, to enter onto and inspect the Premises.

**1.6. Stamp and Other Taxes.** If the federal, or any state, county, local, municipal or other, government or any subdivision of any of thereof having jurisdiction, shall levy, assess or charge any tax (excepting therefrom any franchise tax or income tax on the Mortgagee's receipt of interest payments on the principal portion of the Secured Obligations), assessment or imposition upon this Mortgage, the Secured Obligations, the Note or any of the other Loan Documents, the interest of the Mortgagee in the Collateral, or any of the foregoing, or upon Mortgagee by reason of or as holder of any of the foregoing, or shall at any time or times require revenue stamps to be affixed to the Note, this Mortgage, or any of the other Loan Documents, Mortgagor shall pay all such taxes and stamps to or for Mortgagee as they become due and payable. If any law or regulation is enacted or adopted permitting, authorizing or requiring any tax, assessment or imposition to be levied, assessed or charged, which law or regulation prohibits Mortgagor from paying the tax, assessment, stamp, or imposition to or for Mortgagee, then such event shall constitute an Event of Default (hereinafter defined) hereunder and all sums hereby secured shall become immediately due and payable at the option of the Mortgagee.

## **1.7. Insurance**

**1.7.1. Required Insurance.** Mortgagor will at all times maintain or cause to be maintained on the Goods, the Premises and on all other Collateral, all insurance required at any time or from time to time by the other Loan Documents or as reasonably requested by Mortgagee and in any event the following:

(i) **Casualty Insurance:** insurance covering the Premises and the Goods in the event of fire, lightning, windstorm, vandalism, malicious mischief and all other risks normally covered by "all risk" coverage policies in Chicago, Illinois in an amount equal to 100% of the replacement value thereof (but in no event less than

# UNOFFICIAL COPY

\$1,750,000.00);

(ii) **Comprehensive General Public Liability Insurance**: comprehensive general public liability insurance (including coverage for elevators and escalators, if any), contractual liability, explosion, underground property, and broad form property damage endorsement, against claims for bodily injury, death or property damage occurring or caused by events occurring on, in or about the Premises and adjoining streets and sidewalks, in such minimum combined single limit amount as Mortgagee shall from time to time determine;

(iii) **Workers' Compensation Insurance**: during the course of any construction or repair of the Premises, Worker's Compensation and employer's liability insurance covering its employees in such amount as is required by law;

(iv) **Builder's Risk Insurance**: during the course of any construction or repair of the Premises, a Builder's Risk Completed Value Policy of insurance against "all risks", including collapse and transit coverage, during construction of such improvements, covering the total value of work performed and equipment, supplies and materials furnished and to the extent not covered by other insurance as to which Mortgagee is a named insured during such work;

(v) **Contents Insurance**: Fire and Extended Coverage Insurance (contents broad form) and Sprinkler Leakage Insurance on Mortgagor's personal property located on the Premises, and on all improvements or betterment constructed by Mortgagor, in amounts sufficient to fully insure such personal property;

(vi) **Flood Insurance**: insurance against flood (if required by the Federal Flood Disaster Protection Act of 1973 and regulations issued thereunder or any other law applicable to the Mortgagee);

(vii) **Business Interruption/Rent Loss Insurance**: Business Interruption Insurance with loss of rents endorsement in amounts as Mortgagee shall request but in no amount less than the aggregate of the amount of the monthly Rent for the next succeeding twelve (12)-month period.

All insurance shall be in such amounts satisfactory to the Mortgagee, and all to be maintained in such form and with such companies as shall be approved by the Mortgagee. Mortgagor shall deliver to and keep deposited with the Mortgagee original certificates and certified copies of all policies of such insurance and renewals thereof, with premiums prepaid, and with standard non-contributory mortgagee and loss payable clauses satisfactory to the Mortgagee, and clauses providing for not less than thirty (30) days' prior written notice to the Mortgagee of cancellation or material modification of such policies, attached thereto in favor of the Mortgagee. All of the above-mentioned original insurance policies or certified copies of such policies and certificates of such insurance satisfactory to Mortgagee, together with receipts for the payment of premiums thereon, shall be delivered to and held by Mortgagee, which delivery shall constitute assignment to Mortgagee of

# UNOFFICIAL COPY

all return premiums to be held as additional security hereunder. All renewal and replacement policies shall be delivered to Mortgagee at least thirty (30) days before the expiration of the expiring policies.

If Mortgagor shall fail to obtain or to maintain any of the policies required by this Section or to pay any premium relating thereto or to renew any such policies and to deliver evidence of such renewal to Mortgagee no later than twenty (20) days prior to the expiration of the existing policy, then Mortgagee, without waiving or releasing any obligation or default by Mortgagor hereunder and whether or not such failure is an Event of Default hereunder, without notice to Mortgagor, may (but shall be under no obligation to do so) obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto which Mortgagee deems advisable. All sums so disbursed by Mortgagee pursuant to this Section 1.7.1, including costs relating thereto, shall be payable by Mortgagor to Mortgagee within five (5) days after demand therefor plus interest thereon at the Default Rate, and shall be additional Secured Obligations.

Any insurance provided for in this Section may be effected by a policy or policies of blanket insurance, provided, however, that the amount of the total insurance allocated to the Premises shall be such as to furnish protection the equivalent of separate policies in the amounts herein required, and provided further that in all other respects, any such policy or policies shall comply with the other provisions of this Mortgage, except that no such policy shall be submitted to Mortgagee less than thirty (30) days prior to expiration of an existing policy. In any such case, it shall not be necessary to deliver the original of any such blanket policy to the Mortgagee, but the Mortgagee shall be furnished with a certificate or duplicate of such policy reasonably acceptable to Mortgagee. Each policy of insurance provided for in this Section shall contain the standard form of waiver of subrogation.

**1.7.2. Repair of Damage by Casualty; Eminent Domain.** If the Premises shall be destroyed or damaged in whole or in part, by fire or other casualty (including any casualty for which insurance was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, or if the Premises, or any part thereof, is taken by condemnation, Mortgagor shall give to Mortgagee immediate written notice thereof. Mortgagor, at its own cost and expense, shall immediately take such action and perform such work as is required to keep the Premises safe and secure from vandals and intruders, protect the Premises from additional damage from the elements, and prevent the Premises from becoming a nuisance. Mortgagor, at its own cost and expense, whether or not such damage, destruction or taking shall have been insured, and whether or not insurance proceeds, or the condemnation award (the "Condemnation Award"), if any, shall be sufficient for the purpose, shall promptly repair, alter, restore, replace and rebuild the same, at least to the extent of the value and as nearly as possible to the character of the Premises existing immediately prior to such occurrence. Mortgagor agrees to obtain and furnish to Mortgagee, not more than sixty (60) days after the casualty or condemnation and not less than ten (10) days before the commencement of any demolition, repair or restoration work upon the Premises:

# UNOFFICIAL COPY

(i) Complete plans and specifications for demolition and Restoration of the Premises, prepared by an architect (the "Architect") whose qualifications shall meet the reasonable satisfaction of Mortgagee and which plans and specifications shall be with reasonable approval of Mortgagee, which plans and specifications shall be and become the sole and absolute property of Mortgagee upon the occurrence of an Event of Default under the terms hereof;

(ii) A certificate that, upon completion of Restoration (defined below), the Premises will comply with all applicable laws, including Environmental Laws and zoning laws, and a good faith estimate that completion of Restoration, pursuant to the AIA construction contract described in subsection (iii) hereof, shall occur within one (1) year of the date of casualty or condemnation;

(iii) An AIA construction contract in assignable form made with a reputable and responsible builder, providing for the erection, completion and terms of payment for all work, labor and material necessary to restore the Premises in accordance with the approved plans and specifications;

(iv) In the event that the estimated cost of demolition and Restoration of the Premises and any incidental costs incurred in connection therewith (as described below) exceed the amount of the Net Proceeds, a cash deposit, in the amount of such excess, which cash shall be the first funds disbursed hereunder; and

(v) At its sole cost and expense, all necessary permits and approvals from all governmental authorities having jurisdiction over the Premises or the Restoration and, on demand, photocopies thereof to Mortgagee.

Mortgagee shall in no event be called upon to repair, alter, replace, restore or rebuild such Premises, or any portion thereof, or to pay any of the costs or expenses thereof.

**1.7.3. Settlement of Loss.** Provided no Event of Default has occurred and is continuing, Mortgagor is authorized to settle and adjust any claim for Condemnation Award or any claim under such insurance policies which insure against such risk for a period of ninety (90) days after the occurrence of any casualty or event giving rise to a claim. Upon the occurrence of an Event of Default or the expiration of said 90 day period, Mortgagee shall be authorized to settle and adjust such claims for Condemnation Award or insurance proceeds.

**1.8. Application of Proceeds.** In all events, Mortgagee is authorized to collect and receipt for any proceeds of insurance or Condemnation Award. Mortgagee shall be entitled to reimburse itself therefrom for the necessary and proper expenses paid or incurred by Mortgagee in collection of such monies. The amount of insurance proceeds or Condemnation Award collected by Mortgagee, less the amount reasonably expended by Mortgagee to collect such insurance proceeds or Condemnation Award, shall be referred to herein as the "Net Proceeds." Mortgagee, at its option and in its sole discretion, may elect to apply the Net Proceeds to pay



# UNOFFICIAL COPY

down the principal balance of the loan, or may, in its sole discretion, elect to pay the Net Proceeds over to Mortgagor, as hereinafter provided, for the purpose of repairs or restoration to be made by the Mortgagor to restore the Premises to a value which shall not be less than its value prior to such fire or other casualty or taking by eminent domain proceedings (the "Restoration").

**1.8.1 Conditions of Payment of Net Proceeds.** Net Proceeds, if paid to Mortgagor, will be paid under the following terms and conditions:

(i) Net Proceeds may be paid to Mortgagee in installments as such Restoration progresses upon application to be submitted by Mortgagor to Mortgagee showing the cost of labor and materials incorporated into such Restorations or incorporated therein since the last previous application for disbursement;

(ii) If any mechanic's lien is filed against the Premises, Mortgagor may not receive any further installment payments of Net Proceeds until such lien is satisfied or otherwise discharged unless such lien is to be satisfied out of such further installment and should not have been satisfied out of a previous installment of Net Proceeds, or unless Mortgagor obtains and delivers to Mortgagee a title indemnity in accordance with Section 1.10.2;

(iii) The amount of Net Proceeds paid to Mortgagor upon application shall be an amount equal to the cost of labor and materials theretofore incorporated by Mortgagor in such Restoration, or incorporated therein since the payment of the last previous installment of Net Proceeds, less ten percent (10%) of the installment to be paid. Said ten percent (10%) retainage shall be held by Mortgagee until all Restoration has been completed, at which time such retainage shall be disbursed to Mortgagor to pay for the cost of Restoration;

(iv) Concurrently with each request for disbursement of Net Proceeds, Mortgagor shall cause to be delivered to Mortgagee a certificate of the Architect stating that the sum then requested to be paid either has been paid by Mortgagor or is justly due to contractors, subcontractors, materialmen, engineers, Architects or other persons (whose names and addresses shall be stated), and giving a brief description of such services and materials and the principal subdivisions thereof and the several amounts so paid or due each of said persons in respect thereof, and stating the progress of the work up to the date of said certificate; that no part of such expenditures has been or is going to be made the basis of any previous or then pending request, for the withdrawal of Net Proceeds, and that the sum then requested does not exceed the value of the services and material described in said certificate;

(v) Concurrently with each request for disbursement of Net Proceeds, Mortgagor shall cause to be delivered to Mortgagee a sworn contractor's statement, setting forth the names and addresses of each subcontractor he has contracted with, the amounts then due and owing to the contractor and each subcontractor, and such other information as Mortgagee or the title insure may reasonably require, together with mechanic's lien waivers relating to the work

# UNOFFICIAL COPY

thereon performed and paid for;

(vi) There shall be furnished to Mortgagee an official search, or a certificate of a title company satisfactory to the Mortgagee, or other evidence showing that there has not been filed any vendor's or mechanic's lien affecting the Premises which has not been discharged of record, except as such will be discharged upon payment of the amount then requested to be withdrawn or if Mortgagor obtains and delivers to Mortgagee a title indemnity in accordance with Section 1.10.2 hereof;

(vii) At Mortgagee's election, the Net Proceeds may be disbursed through a construction escrow with Chicago Title Insurance Company, or such other title insurer as Mortgagee shall reasonably approve, which escrow shall provide that said title insurer shall issue its endorsement to the then existing Lender's Title Insurance Policy, insuring the priority of this Mortgage as a first mortgage lien upon the Premises concurrently with each disbursement of Net Proceeds;

(viii) At Mortgagee's election, Net Proceeds shall be disbursed directly to the architect, contractor, subcontractor or materialmen, as applicable;

(ix) Disbursements of Net Proceeds shall not be made more frequently than every thirty (30) days;

(x) At Mortgagee's election, Mortgagee shall have the right to have an independent architect inspect the progress of the Restoration, making the certification required pursuant to subsection (iv) above;

(xi) Mortgagor shall pay all incidental costs and expenses incurred in connection with the Restoration, including without limitation insurance settlement costs, title insurance premiums, reasonable attorney fees (including in-house counsel), Architect's fees, the inspecting architect's fees, permit fees, bond premiums and escrow fees; and

(xii) Upon the occurrence of any Event of Default after the occurrence of any casualty with respect to which Net Proceeds are disbursed pursuant to the terms hereof, Mortgagee shall not be obligated to disburse any further installments of Net Proceeds unless or until such Event of Default is waived by Mortgagee;

## **1.9. Governmental Requirements.**

**1.9.1. Compliance with Laws.** Mortgagor will at all times fully comply with, and cause the Collateral and the use and condition thereof fully to comply with, all federal, state, county, municipal, local and other governmental statutes, ordinances, requirements, regulations, rules, orders, licensing provisions and decrees of any kind whatsoever that apply or relate to Mortgagor or the Collateral or the use thereof (including but not limited to any zoning or building laws or ordinances, any noise abatement, occupancy, or environmental protection laws or regulations, any rules or regulations of the Federal Aviation Administration, or any rules, regulations or

# UNOFFICIAL COPY

orders of any governmental agency), and will observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits, privileges, easements, rights-of-way, covenants, restrictions, grants, franchises and concessions (including, without limitation, those relating to land use and development, landmark preservation, construction, access, water rights and use, noise and pollution) which are applicable to Mortgagor or have been granted (whether or not of record) for the Collateral or the use thereof. Unless required by applicable law or unless Mortgagee has otherwise first agreed in writing, Mortgagor shall not make or allow any changes to be made in the nature of the occupancy or use of the Premises or any portion thereof for which the Premises or such portion was intended at the time this Mortgage was delivered. Mortgagor shall not initiate or acquiesce in any change in any zoning or other land use classification now or hereafter in effect and affecting the Premises or any part thereof without in each case obtaining Mortgagee's prior written consent thereto.

At all times the environmental and ecological condition of the Premises shall not be in violation of any law, ordinance, rule or regulation applicable thereto; the soil, surface, water and ground water of or on the Premises shall be free from any solid waste, toxic, hazardous or special substances or contaminants; and the Premises shall not be used for the manufacture, refinement, treatment, storage, hauling or disposal of any such material. No "Hazardous Materials" (as hereinafter defined) shall be discharged, dispersed, released, stored, treated, generated, disposed of, or allowed to escape on the Premises; no asbestos or asbestos-containing materials shall be installed, used, incorporated into or disposed of on the Premises; no polychlorinated biphenyls ("PCBs") will be located on, in, or used in connection with the Premises; no underground storage tanks shall be located on the Premises; and the Premises shall be in compliance with all applicable federal, state and local statutes, laws, regulations, ordinances, orders, or codes relating to environmental matters.

"Hazardous Materials" means asbestos, PCBs, and any hazardous, toxic or special substance, material or waste that is regulated by any governmental authority, including the State of Illinois or the United States government and includes, without limitation, any material, substance or waste that is (i) designated as such pursuant to Section 307 of the Federal Water Pollution Control Act 33 U.S.C. §1251 et seq. (33 U.S.C. §1317); (ii) defined as such pursuant to §1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901 et. seq. (42 U.S.C. §6903); (iii) defined as such pursuant to §101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 59601 et. seq. (42 U.S.C. §9601); or (iv) designated or defined under any applicable federal or state statute or county or municipal law, regulation, ordinance, order or code, in each case as amended.

**1.9.2. Contest of Laws.** Mortgagor shall have the right, after prior notice to Mortgagee and so long as there exists no material threat to the priority of the lien of the Mortgage, the Loan Documents or the value of the Collateral, to contest by appropriate legal proceedings conducted in the name of Mortgagor, the validity or application of any ordinances, requirements, regulations, rules, orders and decrees

# UNOFFICIAL COPY

of the nature referred to in subsection 1.9.1. above. Mortgagor shall indemnify and hold Mortgagee harmless from any cost, expense, liability or damage, including reasonable attorney fees, relating to such contest.

## **1.10. Mechanic's Liens.**

**1.10.1. Prohibitions Against Liens.** Mortgagor will not permit any mechanic's or other construction lien under the laws of Illinois to arise against or attach to the Premises. In addition, it is further expressly made a covenant and condition hereof that the lien of this Mortgage shall extend to any and all improvements and fixtures now or hereafter on the Premises, prior to any other lien thereon that may be claimed by any person, so that subsequently accruing claims for lien on the Premises shall be junior and subordinate to this Mortgage. All contractors, subcontractors, and other parties dealing with the Premises, or with any parties interested therein, are hereby required to take notice of the above provisions.

**1.10.2. Discharge of Mechanic's Liens.** If any mechanic's, laborer's or materialman's lien shall at any time be filed against the Premises or any part thereof, Mortgagor shall, immediately upon learning of such lien, notify Mortgagee of same in writing, and within thirty (30) days after learning of the filing thereof, shall cause the same to be discharged of record or otherwise stayed by payment, deposit, order of a court of competent jurisdiction or otherwise or bonded or insured over by a title insurance company acceptable to Mortgagee (the "Title Company"). If Mortgagor shall fail to cause such lien to be discharged, stayed within such period or bonded or insured over by the Title Company within such period then, in addition to any other right or remedy, Mortgagee may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event Mortgagee shall be entitled, if Mortgagee so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor, with interest, costs and allowances. In any event, if any suit, action or proceedings shall be brought to foreclose or enforce any such lien (whether or not the prosecution thereof was so compelled by Mortgagee), Mortgagor shall, at its own sole cost and expense, promptly pay, satisfy and discharge any final judgment entered therein, in default of which Mortgagee, at its option, may three (3) days after notice thereof, do so. Any and all amounts so paid by Mortgagee as in this paragraph provided, and all costs and expenses paid or incurred by Mortgagee in connection with any or all of the foregoing matters, including, without limitation, reasonable attorney fees and disbursements shall become due and payable within five (5) days after notice thereof, such amounts, charges, costs, expenses, fees and sums, together with interest thereon at the default rate of interest specified under the Note.

**1.11. Continuing Priority.** Subject to Mortgagor's right to contest set forth in Sections 1.9, and 1.10 hereof, Mortgagor (a) will pay such fees, impositions and charges, execute and file (at Mortgagor's expense) such financing statements, obtain such acknowledgments or consents, notify such obligors or providers of services and materials, and do all such other acts and things as Mortgagee may

# UNOFFICIAL COPY

from time to time request, to establish and maintain a valid and perfected first and prior lien and security interest of Mortgagee on and in the Collateral, and to provide for payment of all cash proceeds thereof to Mortgagee directly, with Mortgagee in possession of the Collateral to the extent it requests; (b) will keep all of its books and records relating to the Collateral on the Premises or at the principal office of the Mortgagor; (c) will keep all tangible Collateral on the Real Estate except as Mortgagee may otherwise consent in writing; (d) will make and keep its books and records so as to enable Mortgagee and others to recognize and determine the interest of the Mortgagee hereunder; and (e) will not collect any rents or the proceeds of any of the Leases or Intangibles more than thirty (30) days before the same shall be due and payable, except as the Mortgagee may otherwise consent in writing, and except for tenant security deposits collected, held and applied by Mortgagor in accordance with the terms of a lease of the Premises.

**1.12. Utilities.** Mortgagor will pay all utility charges incurred in connection with the Collateral promptly when due and maintain all utility services available for use at the Premises.

**1.13. Contract Maintenance; Other Agreements.** Mortgagor will, for the benefit of Mortgagee, fully and promptly keep, observe, perform and satisfy each obligation, condition, covenant, and restriction affecting the Premises or imposed on it under any agreement between Mortgagor and a third party relating to the Collateral or the Secured Obligations secured hereby so that there will be no default thereunder and so that the persons (other than Mortgagor) obligated thereon shall be and remain at all times obligated to perform for the benefit of the Mortgagee. Except as expressly contemplated in the Loan Documents, Mortgagor will not permit to exist any condition, event or fact which could allow or serve as a basis or justification for any such person to avoid such performance.

**1.14. Notify Mortgagee of Default.** Mortgagor shall notify Mortgagee in writing within five (5) days after the date on which it becomes aware of or receives notice of the occurrence of any Event of Default or other event which, upon the giving of notice or the passage of time or both, would constitute an Event of Default hereunder or under any of the other Loan Documents.

**1.15. No Assignments; Future Leases.** Mortgagor will not cause or permit (by operation of law or otherwise) any Rents, Leases, or other contracts relating to the Premises to be assigned, to any party other than Mortgagee without first obtaining the express written consent of Mortgagee to any such assignment or permit any such assignment to occur by operation of law. In addition, Mortgagor shall not cause or permit all or any portion of or interest in the Premises or the Improvements to be leased (that word having the same meaning for purposes hereof as it does in the law of landlord and tenant) directly or indirectly to any person, without the prior written consent of Mortgagee which shall not be unreasonably withheld.

**1.16. Mortgagors To Comply With Leases.** Mortgagor will, at its own cost and expense:



# UNOFFICIAL COPY

(i) Faithfully abide by, perform and discharge each and every obligation, covenant and agreement under any leases of the Premises to be performed by the landlord thereunder;

(ii) Enforce or secure the performance of each and every material obligation, covenant, condition and agreement of said leases by the tenants thereunder to be performed;

(iii) Not borrow against, pledge or further assign any rentals due under said leases;

(iv) Not permit the prepayment of any rents due under any lease for more than thirty (30) days in advance nor for more than the next accruing installment of rents, nor anticipate, discount (other than front-end incentives such as rent abatement), compromise, forgive or waive any such rents;

(v) Not waive, excuse, condone or in any manner release or discharge any tenants of or from the obligations, covenants, conditions and agreements by said tenants to be performed under the leases without the express prior written consent of Mortgagees;

(vi) Not permit any tenant to assign or sublet its interest in its lease unless required to do so by the terms of the lease and then only if such assignment does not work to relieve the tenant of any liability for payment of and performance of its obligations under the lease and only if the new tenant is of the same or better creditworthiness as the prior tenant and the terms of the new lease provide for the same or better use of the leased space;

(vii) Not terminate any lease or accept a surrender thereof or a discharge of the tenant unless required to do so by the terms of its lease or unless the Mortgagor and tenant or another equally financially responsible tenant shall have executed a new lease effective upon such termination for the same term of years at a rental not less than as provided in the terminated lease and on terms no less favorable to the landlord than as in the terminated lease;

(viii) Not consent to a subordination of the interest of any tenant to any party other than Mortgagee and then only if specifically consented to by the Mortgagee; and

(ix) Not amend or modify any lease or alter the obligations of the parties thereunder.

**1.17. Mortgagee's Right to Perform Under Leases.** Should the Mortgagor fail to perform, comply with or discharge any obligations of Mortgagor under any lease or should the Mortgagee become aware of or be notified by any tenant under any lease of a failure on the part of Mortgagor to so perform, comply with or discharge its obligations under said lease, Mortgagee may, but shall not be obligated to, and without further demand upon the Mortgagor, and without waiving or releasing

# UNOFFICIAL COPY

Mortgagor from any obligation in this Mortgage contained, remedy such failure, and the Mortgagor agrees to repay upon demand all sums incurred by the Mortgagee in remedying any such failure together with interest at the Interest Rate. All such sums, together with interest at the Interest Rate shall become so much additional, Secured Obligations, but no such advance shall be deemed to relieve the Mortgagor from any default hereunder.

**1.18. Assignment of Rents, Leases and Profits.** The Mortgagor does hereby sell, assign, and transfer unto Mortgagee all of the Rents, Leases and profits from the Premises, it being the intention of this Mortgage to establish an absolute transfer and assignment of all such Rents, Leases and profits from and on the Premises unto the Mortgagee and the Mortgagor does hereby appoint irrevocably the Mortgagee its true and lawful attorney in its name and stead, which appointment is coupled with an interest, to collect all of said rents and profits; provided, Mortgagee grants the Mortgagor the privilege to collect and retain such rents, income, and profits unless and until an Event of Default exists under this Mortgage. Upon the occurrence of an Event of Default, and whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale of the Premises or during any period of redemption, the Mortgagee, without regard to waste, adequacy of the security or solvency of the Mortgagor, may revoke the privilege granted Mortgagor hereunder to collect the rents, issues and profits of the Premises, and may, at its option, without notice:

(i) in person or by agent, with or without taking possession of or entering the Premises, with or without bringing any action or proceeding, give, or require Mortgagor to give, notice to any or all tenants under any lease authorizing and directing the tenant to pay such rents and profits to Mortgagee; collect all of the rents, issues and profits; enforce the payment thereof and exercise all of the rights of the landlord under any lease and all of the rights of Mortgagee hereunder; enter upon, take possession of, manage and operate said Premises, or any part thereof; cancel, enforce or modify any leases, and fix or modify rents, and do any acts which the Mortgagee deems proper to protect the security hereof with or without taking possession of said Premises; and

(ii) apply for the appointment of a receiver in accordance with the statutes and law made and provided for, which receivership Mortgagor hereby consents to, which receiver shall collect the rents, profits and all other income of any kind, manage the Premises so as to prevent waste, execute leases within or beyond the period of receivership, and apply the rents, profits and income in the following order: (a) to payment of all reasonable fees of any receiver appointed hereunder; (b) to application of tenant's security deposits; (c) to payment when due of prior or current Impositions with respect to the Premises or, if the Mortgage so requires, to the periodic escrow for payment of Impositions when due; (d) to payment when due of premiums for insurance of the type required by the Mortgage or, if the Mortgage so requires, to the periodic escrow for the payment of premiums then due; (e) to payment of all expenses for normal maintenance of the Premises; (f) if received prior to a foreclosure sale, such amounts shall be paid to the Mortgagee and deposited with Mortgagee for application as provided for therein; provided, if the Premises

# UNOFFICIAL COPY

shall be foreclosed and sold pursuant to a foreclosure sale, then during the period of price provided, if the Premises not be redeemed, any remaining excess rents are to be paid to the Mortgagee, whether or not a deficiency exists; if the Mortgagee is not the purchaser at the foreclosure sale, the rents shall be paid to the Mortgagee to be applied to the extent of any deficiency remaining after the sale, and the balance, if any, shall be paid to the purchasers to be applied as a credit against the redemption price, provided, if the Premises not be redeemed, any remaining excess rents shall be paid to the purchasers.

The entering upon and taking possession of the Premises, the collection of such rents and profits and the application thereof as aforesaid shall not cure or waive any defaults under this Mortgage nor in any way operate to prevent the Mortgagee from pursuing any other remedy which it may now or hereafter have under the terms of this Mortgage nor shall it in any way be deemed to constitute the Mortgagee a mortgagee-in-possession. The rights and powers of the Mortgagee hereunder shall remain in full force and effect both prior to and after any foreclosure of the Mortgage and any sale pursuant thereto and until expiration of the period of redemption from said sale, regardless of whether a deficiency remains from said sale. The purchaser at any foreclosure sale, including the Mortgagee, shall have the right, at any time and without limitation, to advance money to any receiver appointed hereunder to pay any part or all of the items which the receiver would otherwise be authorized to pay if cash were available from the Premises and the sum so advanced, with interest at the Interest Rate, shall be a part of the sum required to be paid to redeem from any foreclosure sale. The rights hereunder shall in no way be dependent upon and shall apply without regard to whether the Premises are in danger of being lost, materially injured or damaged or whether the Premises are adequate to discharge the Secured Obligations. The rights contained herein are in addition to and shall be cumulative with the rights given in any separate instrument, if any, assigning any leases, rents and profits of the Premises and shall not amend or modify the rights in any such separate agreement.

**1.19. Mortgagee's Performance.** If Mortgagor fails to pay or perform any of its obligations herein contained (including payment of expenses of foreclosure and court costs) and all applicable grace or cure periods have expired, Mortgagee may (but need not), as agent or attorney-in-fact of Mortgagor, make any payment or perform (or cause to be performed) any obligation of Mortgagor hereunder, in any form and manner deemed expedient by Mortgagee, and any amount so paid or expended (plus reasonable compensation to Mortgagee for its out-of-pocket and other expenses for each matter for which it acts under this Mortgage), with interest thereon at the Interest Rate, shall be added to the principal debt hereby secured and shall be repaid to Mortgagee within five (5) days after notice thereof. By way of illustration and not in limitation of the foregoing, Mortgagee may (but need not) do all or any of the following: make payments of principal or interest or other amounts on any lien, encumbrance or charge on any of the Collateral; make repairs; collect rents; prosecute collection of the Collateral or proceeds thereof; purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit, proceeding, title or claim thereof; contest any tax or assessment; and redeem from any tax sale or forfeiture affecting the Premises. In making any payment or securing

# UNOFFICIAL COPY

any performance relating to any obligation of Mortgagor hereunder, Mortgagee shall (as long as it acts in good faith) be the sole judge of the legality, validity and amount of any lien or encumbrance and of all other matters necessary to be determined in satisfaction thereof. No such action of Mortgagee shall ever be considered as a waiver of any right accruing to it on account of the occurrence of any matter which constitutes an Event of Default.

**1.20. Maintenance of Existence.** The Mortgagor will, so long as it is owner of the Property, do all things necessary to preserve and keep in full force and effect its existence, franchises, rights and privileges under the laws of the state of its incorporation, or formation, as the case may be, and will comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental authority or court applicable to the Mortgagor or to the Property or any part thereof. Mortgagor shall not liquidate, terminate, consolidate, merge or voluntarily dissolve.

**1.21. Subrogation.** To the extent that Mortgagee, on or after the date hereof, pays any sum under any provision of law or any instrument or document creating any lien or other interest prior or superior to the lien of this Mortgage, or Mortgagor or any other person pays any such sum with the proceeds of the loan secured hereby, Mortgagee shall have and be entitled to a lien or other interest on the Collateral equal in priority to the lien or other interest discharged and Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit Mortgagee in securing the Secured Obligations.

## II. DEFAULT

Each of the following shall constitute an event of default ("Event of Default") hereunder (including, if Mortgagor consists of more than one person or entity, the occurrence of any of such events with respect to any one or more of such persons or entities):

### **2.1. Default in Payment, Performance.**

(i) Failure to make any payment of principal, interest, fees or any other amount due under any one or more of the Note or this Mortgage when the same becomes due and payable and such failure continues for five (5) days; or

(ii) Failure to pay any of the other Secured Obligations, when and as the same shall become due and payable, whether at maturity or by acceleration or otherwise within five (5) days after the due date thereof; or

(iii) Except as specifically set forth in any other provision of this Article II, default in the timely and proper performance of any of the covenants or agreements of Mortgagor contained herein, and the continuation of such failure for ten (10) days; or

# UNOFFICIAL COPY

(iv) Default by Mortgagor in the timely and proper performance or any of the covenants or agreements contained in any of the Loan Documents and the failure to cure such default within the time period provide therefor, if any; or

(v) Any breach by Mortgagor under the terms of any other agreement between Mortgagor and Mortgagee that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Mortgagor to Mortgagee, whether existing now or in the future.

**2.2. Receiver; Suspension; Attachment.** The appointment, pursuant to an order of a court of competent jurisdiction, of a trustee, receiver or liquidator of the Collateral or any part thereof, or of Mortgagor, or any termination or voluntary suspension of the transaction of business of Mortgagor, or any attachment, execution or other judicial seizure of all or any substantial portion of Mortgagor's assets which attachment, execution or seizure is not discharged within, sixty (60) days.

**2.3. Miscellaneous.** If Mortgagor is other than a natural person or persons, without the prior written consent of Mortgagee in each case, (a) the dissolution or termination of existence of Mortgagor, voluntarily or involuntarily; or (b) the amendment or modification in any material respect of Mortgagor's articles or agreement of partnership or its corporate resolutions relating to this transaction or its articles of incorporation or bylaws.

**2.4. Tax on Mortgagee.** The imposition of a tax, other than a state or federal income tax, on or payable by Mortgagee by reason of its ownership of the Note, or this Mortgage, and Mortgagor not promptly paying said tax, or it being illegal for Mortgagor to pay said tax.

**2.5. Representations and Warranties.** Any representation, warranty, or disclosure made to Mortgagee by Mortgagor or Guarantor in connection with or as an inducement to the making of the Loan evidenced by the Note (this Mortgage or any of the other Loan Documents, proving to be false or misleading in any material respect as of the time the same was made, whether or not any such representation or disclosure appears as part of this Mortgage.

**2.6. Material Destruction of Premises.** The Premises or any material part thereof is damaged or destroyed by fire or other casualty and the loss is not adequately covered by insurance actually collected or in the process of collection, and Mortgagor fails to deposit or to cause to be deposited with the Mortgagee the full amount of the deficiency in cash within ten (10) days of the Mortgagee's written request therefor.

**2.7. Condemnation/Eminent Domain.** Proceedings are formally commenced by any public or quasi-public body to acquire the land, the Premises or any interest in or any part of any of them by condemnation, eminent domain or any similar power or authority, and such proceedings are not dismissed within sixty (60) days of their



# UNOFFICIAL COPY

being instituted, unless in the Mortgagee's opinion such acquisition would not materially interfere with the intended uses of the Premises.

**2.8. Mechanic's Liens.** Any lien or notice of lien of any kind whatsoever (whether for the performance of work or services or the supplying of materials or other things, or in the nature of a judgment lien or lien for Impositions, or otherwise) is filed or served against the Premises or any part thereof or is received by the Mortgagee, and remains unsatisfied or unbonded to the Mortgagee's satisfaction for a period of thirty (30) days after the Mortgagor receives notice thereof, provided that Mortgagor shall have the right to contest such lien in accordance with the terms of Section 1.10 of this Mortgage.

**2.9. Creditor's Rights.** The Mortgagor or any guarantor of the indebtedness shall fail to pay its debts as they become due, make an assignment for the benefit of its creditors, or shall commit an act of bankruptcy, or shall admit in writing its inability to pay its debts as they become due, or shall seek a composition, readjustment, arrangement, liquidation, dissolution or insolvency proceeding under any present or future statute or law, or shall file a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, or shall become "insolvent" as that term is generally defined under the Federal Bankruptcy Code, or shall in any involuntary bankruptcy case commenced against it file an answer admitting insolvency or inability to pay its debts as they become due, or shall fail to obtain a dismissal of such case within sixty (60) days after its commencement or convert the case from one chapter of the Federal Bankruptcy Code to another chapter, or be the subject of an order for relief in such bankruptcy case, or be adjudged a bankrupt or insolvent, or shall have a custodian, trustee or receiver appointed for, or have any court take jurisdiction of its property, or any part hereof, in any proceeding for the purpose of reorganization, arrangement, dissolution or liquidation, and such custodian, trustee, liquidator or receiver shall not be discharged, or such jurisdiction shall not be relinquished, vacated or stayed within sixty (60) days of the appointment.

### III. REMEDIES

**3.1. Acceleration.** Upon the occurrence of any Event of Default, or upon the death or dissolution of any Borrower or Guarantor of the Loan, the entire indebtedness evidenced by Note and all other Secured Obligations, together with interest thereon at the rate applicable after maturity as provided in the Note, shall, at the option of Mortgagee, notwithstanding any provisions thereof and without presentment, demand, protest or notice of any kind to Mortgagor or to any other person, become and be immediately due and payable.

**3.2. Remedies Cumulative.** No remedy or right of Mortgagee hereunder or under the Note or any of the other Loan Documents or otherwise, or available under applicable law, shall be exclusive of any other right or remedy, but each such remedy or right shall be in addition to every other remedy or right now or hereafter existing under any such document or under applicable law. No delay in the exercise of, or omission to exercise, any remedy or right accruing on any Event of Default

# UNOFFICIAL COPY

shall impair any such remedy or right or be construed to be a waiver of any such Event of Default or an acquiescence therein, nor shall it affect any subsequent Event of Default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee. All obligations of Mortgagor, and all rights, powers and remedies of Mortgagee, expressed herein shall be in addition to, and not in limitation of, those provided by law or in the Note or any other Loan Documents or any other written agreement or instrument relating to any of the Secured Obligations or any security therefor.

### **3.3. Possession of Premises; Remedies under Loan Documents and Note.**

To the extent permitted by law, Mortgagor hereby waives all right to the possession, income, and Rents of the Premises from and after the occurrence of any Event of Default, and Mortgagee is hereby expressly authorized and empowered, at and following any such occurrence, to enter into and upon and take possession of the Premises or any part thereof, to complete any construction or repairs in progress thereon at the expense of Mortgagor, to lease the same, to collect and receive all Rents and to apply the same, less the necessary or appropriate expenses of collection thereof, either for the care, operation and preservation of the Premises or, at the election of Mortgagee in its sole discretion, to a reduction of such of the Secured Obligations in such order as Mortgagee may elect. Mortgagee, in addition to the rights provided under the Note and any of the other Loan Documents is also hereby granted full and complete authority to enter upon the Premises, employ watchmen to protect the Goods and Improvements from depredation or injury and to preserve and protect the Collateral, and to continue any and all outstanding contracts for the erection, completion or repair of improvements to the Premises, to make and enter into any contracts and obligations wherever necessary in its own name, and to pay and discharge all debts, obligations and liabilities incurred thereby, all at the expense of Mortgagor. All such expenditures by Mortgagee shall be Secured Obligations hereunder. Upon the occurrence of any Event of Default, Mortgagee may also exercise any or all rights or remedies under the Note and any of the other Loan Documents.

**3.4. Foreclosure; Receiver.** Upon the occurrence of any Event of Default, Mortgagee shall also have the right immediately or at any time thereafter to foreclose this Mortgage. Upon the filing of any complaint for that purpose, the court in which such complaint is filed may, upon application of Mortgagee or at any time thereafter, either before or after foreclosure sale, and with notice to Mortgagor or to any party claiming under Mortgagor and without regard to the solvency or insolvency at the time of such application of any person then liable for the payment of any of the Secured Obligations, without regard to the then value of the Premises or whether the same shall then be occupied, in whole or in part, as a homestead, by the owner of the equity of redemption, and without regarding any bond from the complainant in such proceedings, appoint a receiver for the benefit of Mortgagee and the Property, with power to take possession, charge, and control of the Premises, to lease the same, to keep the buildings thereon insured and in good repair, and to collect all Rents during the pendency of such foreclosure suit, and, in case of foreclosure sale and a deficiency, during any period of redemption.

# UNOFFICIAL COPY

The court may, from time to time, authorize said receiver to apply the net amounts remaining in his hands, after deducting reasonable compensation for the receiver and his counsel as allowed by the court, in payment (in whole or in part) of any or all of the Secured Obligations, including without limitation the following, in such order of application as Mortgagee may, in its sole and absolute discretion, elect: (i) amounts due upon the Note, (ii) amounts due upon any decree entered in any suit foreclosing this Mortgage, (iii) costs and expenses of foreclosure and litigation upon the Premises, (iv) insurance premiums, repairs, Impositions, water charges and interest, penalties and costs, in connection with the Premises, (v) any other lien or charge upon the Premises that may be or become superior to the lien of this Mortgage, or of any decree foreclosing, the same and (vi) all moneys advanced by Mortgagee to cure or attempt to cure any default by Mortgagor in the performance of any obligation or condition contained in any of the other Loan Documents or this Mortgage or otherwise, to protect the security hereof provided herein, or in any of the other Loan Documents, with interest on such advances at the interest rate applicable after maturity under the Note. The excess of the proceeds of sale, if any, shall then be paid to Mortgagor, upon reasonable request.

This Mortgage may be foreclosed once against all, or successively against any portion or portions, of the Premises, as Mortgagee may elect, until all of the Premises have been foreclosed against and sold. As part of the foreclosure, Mortgagee in its discretion may, with or without entry, personally or by attorney, sell to the highest bidder all or any part of the Premises, and all right, title, interest, claim and demand therein, and the right of redemption thereof, as an entirety, or in separate lots, as Mortgagee may elect, and in one sale or in any number of separate sales held at one time or at any number of times, all in any manner and upon such notice as provided by applicable law. Upon the completion of any such sale or sales, Mortgagee shall transfer and deliver, or cause to be transferred and delivered, to the purchaser or purchasers the property so sold, in the manner and form as provided by applicable law, and Mortgagee is hereby irrevocably appointed the true and lawful attorney-in-fact of Mortgagor, in its name and stead, to make all necessary transfers of property thus sold, and for that purpose Mortgagee may execute and deliver, for and in the name of Mortgagor, all necessary instruments of assignment and transfer, Mortgagor hereby ratifying and confirming all that said attorney-in-fact shall lawfully do by virtue hereof.

In the case of any sale of the Premises pursuant to any judgment or decree of any court at public auction or otherwise, Mortgagee may become the purchaser, and for the purpose of making settlement for or payment of the purchase price, shall be entitled to deliver over and use the Note and any claims for the debt in order that there may be credited as paid on the purchase price the amount of the debt. In case of any foreclosure of this Mortgage (or the commencement of or preparation therefor) in any court, all expenses of every kind paid or incurred by Mortgagee for the enforcement, protection or collection of this security, including court costs, attorney fees, stenographers' fees, costs of advertising, and costs of title insurance and any other documentary evidence of title, shall be paid by Mortgagor.

# UNOFFICIAL COPY

**3.5. Remedies for Leases and Rents.** If any Event of Default shall occur, then, whether before or after institution of legal proceedings to foreclose the lien of this Mortgage or before or after the sale thereunder, Mortgagee shall be entitled, in its discretion, to do all or any of the following:

(i) enter and take actual possession of the Premises, the Rents, the Leases and other Collateral relating thereto or any part thereof personally, or by its agents or attorneys, and exclude Mortgagor therefrom;

(ii) enter upon and take and maintain possession of all of the documents, books, records, papers and accounts of Mortgagor relating thereto;

(iii) as attorney-in-fact or agent of Mortgagor, or in its own name as mortgagee and under the powers herein granted, hold, operate, manage and control the Premises, the Rents, the Leases and other Collateral relating thereto and conduct the business, if any, thereof (including entering into new leases of the Premises, or any part thereof, under such terms and conditions as Mortgagee, in its sole and absolute discretion, may elect) either personally or by its agents, contractors or nominees, with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment of the Rents, the Leases and other Collateral relating thereto (including actions for the recovery of rent, actions in forcible detainer and actions in distress of rent);

(iv) cancel or terminate any Lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same;

(v) elect to disaffirm any Lease or sublease made subsequent hereto or subordinated to the lien hereof;

(vi) make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments and improvements to the Premises that, in its reasonable discretion, may seem appropriate;

(vii) insure and reinsure the Collateral for all risks incidental to Mortgagee's possession, operation and management thereof; and

(viii) receive all such Rents and proceeds, and perform such other acts in connection with the management and operation of the Collateral, as Mortgagee in its sole discretion may deem necessary or desirable.

Mortgagor hereby granting Mortgagee full power and authority to exercise each and every one of the rights, privileges and powers contained herein at any and all times after any Event of Default without notice to Mortgagor or any other person. Mortgagee, in the exercise of the rights and powers conferred upon it hereby, shall have full power to use and apply the Rents to the payment of or on account of the following, in such order as it may, in its sole and absolute discretion, determine: (a) to the payment of the operating expenses of the Premises, including the cost of



# UNOFFICIAL COPY

management and leasing thereof (which shall include reasonable compensation to Mortgagee and its agents or contractors, if management be delegated to agents or contractors, and it shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into Leases), established claims for damages, if any, and premiums on insurance hereinabove authorized; (b) to the payment of Impositions, charges, the costs of all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Collateral, including the cost from time to time of installing, replacing or repairing the Collateral, and of placing the Collateral in such condition as will, in the judgment of Mortgagee, make it readily rentable; (c) to the payment of any Secured Obligations; and (d) to the payment of any other cost or expense required or permitted hereunder, including without limitation those expenses set forth in subsections 3.4(i) through (vi) hereof.

The entering upon and taking possession of the Premises, or any part thereof, and the collection of any Rents and the application thereof as aforesaid shall not cure or waive any default theretofore or thereafter occurring or affect any notice or default hereunder or invalidate any act done pursuant to any such default or notice, and, notwithstanding continuance in possession of the Premises or any part thereof by Mortgagee or a receiver, and the collection, receipt and application of the Rents, Mortgagee shall be entitled to exercise every right provided for in this Mortgage or by law or in equity upon or after the occurrence of an Event of Default. Any of the actions referred to in this Section 3.5 may be taken by Mortgagee irrespective of and without regard to the adequacy of the security for the Secured Obligations.

**3.6. Personal Property.** Whenever there exists an Event of Default hereunder, Mortgagee may exercise from time to time any rights, powers and remedies available to it under applicable law and as may be provided in this Mortgage, the Note and the other Loan Documents upon default in the payment of any Secured Obligations. Mortgagor shall, promptly upon request by Mortgagee, assemble the Collateral and make it available to Mortgagee at such place or places, reasonably convenient for both Mortgagee and Mortgagor, as Mortgagee shall designate. Any notification required by law of intended disposition by Mortgagor of any of the Collateral shall be deemed reasonably and properly given if given at least ten (10) days before such disposition.

Without limiting the foregoing, whenever there exists an Event of Default hereunder, Mortgagee may, with respect to so much of the Collateral as is personal property under applicable law, to the fullest extent permitted by applicable law, without further notice, advertisement, hearing or process of law of any kind: (i) notify any person obligated on the Collateral to perform directly for Mortgagee its obligations thereunder, (ii) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto, (iii) endorse any checks, drafts or other writings in the name of Mortgagor to allow collection of the Collateral, (iv) take control of any proceeds of the Collateral, (v) enter upon any premises where any of the Collateral may be located and take possession of and



# UNOFFICIAL COPY

remove such Collateral, (vi) sell any or all of the Collateral, free of all rights and claims of Mortgagor therein and thereto, at any public or private sale, and (vii) bid for and purchase any or all of the Collateral at any such sale. Any proceeds of any disposition by Mortgagee of any of the Collateral may be applied by Mortgagee to the payment of expenses in connection with the Collateral, including reasonable attorney fees and legal expenses, and any balance of such proceeds shall be applied by Mortgagee toward the payment of such of the Secured Obligations and in such order of application as Mortgagee may from time to time elect. Mortgagee may exercise from time to time any rights and remedies available to it under the Uniform Commercial Code or other applicable law as in effect from time to time or otherwise available to it under applicable law. Mortgagor hereby expressly waives presentment, demand, notice of dishonor, protest and notice of protest in connection with the Note and, to the fullest extent permitted by applicable law, any and all other notices, demands, advertisements, hearings or process of law in connection with the exercise by Mortgagee of any of its rights and remedies hereunder. Mortgagor hereby constitutes Mortgagee its attorney in fact with full power of substitution to take possession of the Collateral upon any Event of Default and, as Mortgagee in its sole discretion deems necessary or proper, to execute and deliver all instruments required by Mortgagee to accomplish the disposition of the Collateral; this power of attorney is a power coupled with an interest and is irrevocable while any of the Secured Obligations are outstanding.

**3.7. No Liability of Mortgagee.** Notwithstanding anything contained herein, Mortgagee shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor and Mortgagor shall and does hereby agree to indemnify against and hold Mortgagee harmless of and from: any and all liabilities, losses or damages which Mortgagee may incur or pay under or with respect to any of the Collateral or under or by reason of its exercise of rights hereunder and any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any of the Collateral or in any of the contracts, documents or instruments evidencing or creating any of the Collateral, unless such liability, claim, cost or demand is caused solely by Mortgagee's willful misconduct. Mortgagee shall not have responsibility for the control, care, management or repair of the Premises or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss, injury or death to any tenant, licensee, employee, stranger or other person. No liability shall be enforced or asserted against Mortgagee in its exercise of the powers herein granted to it, and Mortgagor expressly waives and releases any such liability. Should Mortgagee incur any such liability, loss or damage under any of the Leases or under or by reason hereof, or in the defense of any claims or demands, Mortgagor agrees to reimburse Mortgagee immediately upon demand for the full amount thereof, including costs, expenses and reasonable attorney fees.

**3.8. Accounts.** Upon the occurrence of any Event of Default, Mortgagee shall, to the fullest extent permitted by law, be entitled to appropriate and apply on the payment of the Secured Obligations (whether or not due and in any order of

# UNOFFICIAL COPY

priority as may be selected by Mortgagee in its sole and absolute discretion), any and all accounts and monies held in possession of Mortgagee for the benefit of Mortgagor.

## IV. GENERAL

4.1. Permitted Acts. Mortgagor agrees that, without affecting or diminishing in any way the liability of Mortgagor or any other person (except any person expressly released in writing by Mortgagee) for the payment or performance of any of the Secured Obligations or for the performance of any obligation contained herein or affecting the lien hereof upon the Collateral or any part thereof, Mortgagee may at any time and from time to time, without notice to or the consent of any person release any person liable for the payment or performance of any of the Secured Obligations; extend the time for, or agree to alter the terms of payment of, any indebtedness under the Note or any of the other Secured Obligations; modify or waive any obligation, subordinate, modify or otherwise deal with the lien hereof; accept additional security of any kind; release any Collateral or other property securing any or all of the Secured Obligations; make releases of any portion of the Premises; consent to the making of any map or plat of the Premises; consent to the creation of a condominium regime on all or any part of the Premises or the submission of all or any part of the Premises to the provisions of any condominium act or any similar provisions of law of the state where the Premises are located, or to the creation of any easements on the Premises or of any covenants restricting the use or occupancy thereof; or exercise or refrain from exercising, or waive, any right Mortgagee may have hereunder or under any of the other Loan Documents.

4.2. Legal Expenses. Mortgagor agrees to indemnify Mortgagee, and hold Mortgagee harmless, from and against all loss, damage and expense, including (without limitation) reasonable attorney fees (including fees for in-house counsel), which Mortgagee may pay or incur in connection with any suit or proceeding in or to which Mortgagee may be made or become a party, which suit or proceeding does or may affect all or any portion of the Collateral or the value, use or operation thereof or this Mortgage or the validity, enforceability, lien or priority hereof or of any of the Secured Obligations or indebtedness secured hereby.

4.3. Loan Documents. Mortgagor covenants that it will timely and fully perform and satisfy all the terms, covenants and conditions of any and all Loan Documents under which it is obligated.

4.4. Security Agreement; Fixture Filing. This Mortgage, to the extent that it conveys or otherwise deals with personal property or with items of personal property which are or may become fixtures, shall also be construed as a security agreement under the Uniform Commercial Code as in effect in the state in which the Premises are located, and this Mortgage constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder of the County in which the Premises are located with respect to any and all fixtures included within the term "Collateral" as used herein and with respect to any Goods or other personal

# UNOFFICIAL COPY

property that may now be or hereafter become such fixtures. Additionally, Mortgagor hereby appoints Mortgagee as Mortgagor's attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Mortgage or to demand termination of filings of other secured parties. Mortgagee may at any time, and without further authorization from Mortgagor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Mortgagor will reimburse Mortgagee for all expenses for the perfection and the continuation of the perfection of Mortgagee's security interest in the Collateral.

**4.5. Notices.** Any and all notices given in connection with this Mortgage shall be deemed adequately given only if in writing and addressed to the party for whom such notices are intended at the address set forth below. All notices shall be sent by personal delivery, Federal Express or other over-night messenger service, first class registered or certified mail, postage prepaid, return receipt requested or by other means at least as fast and reliable as first class mail. A written notice shall be deemed to have been given to the recipient party on the earlier of (a) the date it shall be delivered to the address required by this Mortgage; (b) the date delivery shall have been refused at the address required by this Mortgage; or (c) with respect to notices sent by mail, the date as of which the postal service shall have indicated such notice to be undeliverable at the address required by this Mortgage. Any and all notices referred to in this Mortgage, or which either party desires to give to the other, shall be addressed as follows:

**IF TO MORTGAGOR:** Frederick S. Latsko  
Julie Klingman  
503 W. Wrightwood  
Chicago, Illinois 60622

**WITH A COPY TO:**

**IF TO MORTGAGEE:** Bank of Lincolnwood  
4433 West Touhy Avenue  
Lincolnwood, Illinois 60712  
Attn.: Richard R. Robbins

**WITH A COPY TO:** Paul A. Brocksmith  
Brocksmith & Brocksmith  
Bank of Lincolnwood Building  
4433 West Touhy Avenue  
Lincolnwood, Illinois 60712

The above addresses may be changed by notice of such change, mailed as provided herein, to the last address designated.

# UNOFFICIAL COPY

**4.6. Successors; Mortgagor; Gender.** All provisions hereof shall inure to and bind the parties and their respective successors, vendees and assigns. The word "Mortgagor" shall include all persons claiming under or through Mortgagor and all persons liable for the payment or performance of any of the Secured Obligations whether or not such persons shall have executed the Note or this Mortgage. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

**4.7. Care by Mortgagee.** Mortgagee shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as Mortgagor requests in writing, but failure of Mortgagee to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of Mortgagee to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by Mortgagor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

**4.8. No Obligation on Mortgagee.** This Mortgage is intended only as security for the Secured Obligations. Anything herein to the contrary notwithstanding, (i) Mortgagor shall be and remain liable under and with respect to the Collateral to perform all of the obligations assumed by it under or with respect to each thereof, (ii) Mortgagee shall have no obligation or liability under or with respect to the Collateral by reason of or arising out of this Mortgage, and (iii) Mortgagee shall not be required or obligated in any manner to perform or fulfill any of the obligations of Mortgagor under, pursuant to or with respect to any of the Collateral.

**4.9. No Waiver; Writing.** No delay on the part of Mortgagee in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Mortgagee of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. The granting or withholding of consent by Mortgagee to any transaction as required by the terms hereof shall not be deemed a waiver of the right to require consent to future or successive transactions.

**4.10. Venue; Governing Law.** The parties agree that the federal or state courts of the judicial district or circuit within which the Premises are located are a proper forum and shall be the only forum for the resolution of any and all disputes of any nature with respect to this Mortgage which may arise between the parties hereto. No party to this Mortgage shall attempt to change venue from a court in Illinois to a court in any other jurisdiction. This Mortgage shall be governed by and construed in accordance with the internal laws (as opposed to the conflict of laws principles) of the State of Illinois. Whenever possible, each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Mortgage shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Mortgage.



# UNOFFICIAL COPY

**4.11. Waiver.** Mortgagor, on behalf of itself and all persons now or hereafter interested in the Premises or the Collateral, to the fullest extent permitted by applicable law hereby waives all rights under all appraisement, homestead, moratorium, valuation, exemption, stay, extension, and redemption statutes, laws or equities now or hereafter existing, and hereby further waives the pleading of any statute of limitations as a defense to any and all Secured Obligations secured by this Mortgage, and Mortgagor agrees that no defense, claim or right based on any thereof will be asserted, or may be enforced, in any action enforcing or relating to this Mortgage or any of this Collateral. Without limiting the generality of the preceding sentence, Mortgagor, on its own behalf and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date of this Mortgage, hereby irrevocably waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage or under any power contained herein or under any sale pursuant to any statute, order, decree or judgment of any court. Mortgagor, for itself and for all persons hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the lien of this Mortgage, hereby expressly waives and releases all rights to direct the order in which any of the Collateral shall be sold in the event of any sale or sales pursuant hereto and to have any of the Collateral and/or any other property now or hereafter constituting security for any of the Secured Obligations marshaled upon any foreclosure of this Mortgage or of any other security for any of said Secured Obligations.

**4.12. Application of Payments.** Notwithstanding anything to the contrary contained herein or in any other Loan Document, Mortgagee shall have the sole, exclusive and unreviewable right unilaterally (and without notice to or the consent of any person) to allocate any and all payments which may be received by or tendered to Mortgagee made by the Mortgagor or any other person (including, without limitation, any guarantor now or hereafter existing) at any time or from time to time and which relate in any way to the sums advanced under the Note, hereunder or any of the other Loan Documents in any order of priority as Mortgagee, in its sole and exclusive discretion determines, to: (i) the payment of any costs and expenses incurred by Holder to enforce any rights hereunder or under the other Loan Documents or to preserve or protect the Property, (ii) accrued but unpaid interest, late payment fees, and any other amounts due and payable under the Note or any of the Loan Documents, and (iii) principal.

**4.13. Representation by Counsel.** Mortgagor hereby represents and warrants that Mortgagor has been represented by competent counsel of its choice in the negotiation and execution of this Mortgage, the Note and the other Loan Documents, and that Mortgagor has read and understood this Mortgage, the Note and the other Loan Documents and intends to be bound hereby.

**4.14. No Merger.** It being the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Premises, it is hereby understood and agreed that should Mortgagee acquire an additional or other interests in or to the Premises or the ownership thereof, then, unless a



# UNOFFICIAL COPY

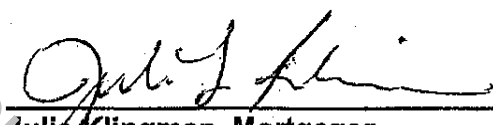
contrary intent is manifested by Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

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

**4.16. Time of Essence.** Time is declared to be of the essence in this Mortgage, the Note, and any Loan Documents and of every part hereof and thereof.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Mortgage pursuant to proper authority duly granted, as of the date and year first above written.

  
 \_\_\_\_\_  
 Frederick S. Latsko, Mortgagor

  
 \_\_\_\_\_  
 Julie Klingman, Mortgagor

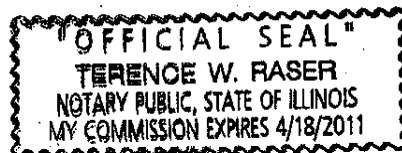
STATE OF IL )  
 )  
 COUNTY OF Cook ) SS.

The undersigned, a Notary Public in and for the county and state aforesaid, certifies that Frederick S. Latsko and Julie Klingman, known to me to be the same person(s) whose name(s) are subscribed to the foregoing instrument, appeared before me this day and, being duly sworn by me, acknowledged that they signed and delivered said Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement in the capacities indicated, with authority, as their free and voluntary act(s) and deed(s), for the uses and purposes therein set forth.

Given under my hand and seal this 27th day of August, 2008.

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

My commission expires: 4-18-11



# UNOFFICIAL COPY

contrary intent is manifested by Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

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

4.16. Time of Essence. Time is declared to be of the essence in this Mortgage, the Note, and any Loan Documents and of every part hereof and thereof.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Mortgage pursuant to proper authority duly granted, as of the date and year first above written.

\_\_\_\_\_  
Frederick S. Latsko, Mortgagor

Julie Klingman  
Julie Klingman, Mortgagor

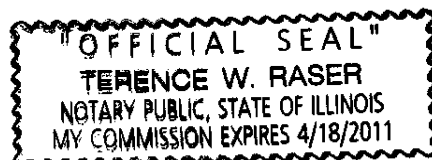
STATE OF IL )  
COUNTY OF Cook ) SS.

The undersigned, a Notary Public in and for the county and state aforesaid, certifies that Frederick S. Latsko and Julie Klingman, known to me to be the same person(s) whose name(s) are subscribed to the foregoing instrument, appeared before me this day and, being duly sworn by me, acknowledged that they signed and delivered said Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement in the capacities indicated, with authority, as their free and voluntary act(s) and deed(s), for the uses and purposes therein set forth.

Given under my hand and seal this 27th day of August, 2008.

Terence W. Raser  
Notary Public

My commission expires: 4-18-11



# UNOFFICIAL COPY

## EXHIBIT A

### Legal Description

UNITS 1401, P-109, P-115, AND P-230, IN THE DEARBORN-ELM CONDOMINIUM AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: THE SOUTH ½ OF LOT 7 AND ALL OF LOTS 8,9 AND 10 IN BLOCK 24 IN BUSHNELL'S ADDITION TO CHICAGO IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 0021271326, AND AS AMENDED, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMON ELEMENTS, ALL IN COOK COUNTY, ILLINOIS.

PIN: 17-04-407-016-1037  
17-04-407-016-1048  
17-04-407-016-1054  
17-04-407-016-1082

Commonly known as: 1155 N. Dearborn Street, Unit No. 1401, Chicago, Illinois

# UNOFFICIAL COPY

## EXHIBIT B

### Permitted Exceptions

General real estate taxes for the year 2007 and each year thereafter not yet due and payable.

Exceptions numbered 6,7,8,9 and 10 contained on Schedule B of Title Insurance Commitment No. 1409 008450051 SK, dated May 29, 2008, and issued by Chicago Title Insurance Company.

Property of Cook County Clerk's Office