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This Instrument Prepared By
and Returned To:

Charles R. Hug
Ice Miller Donadio & Ryan
135 South LaSalle Street
Chicago, Illinois 60603

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1999-10-28 15:19:31
Cook County Recorder 55.00



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Permanent Index Nos: 29-32-200-062
29-32-200-063
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29-32-200-066
29-32-200-067
29-32-200-078

Address: 1000 Maple Avenue
Homewood, Illinois

SECOND MORTGAGE AND SECURITY AGREEMENT (This is a junior mortgage)

THIS SECOND MORTGAGE AND SECURITY AGREEMENT and all subsequent amendments hereto (the "Mortgage"), made as of the first day of September, 1999 between BOMAR, L.L.C., an Illinois limited liability company, having an address at 530 West 172nd Street, South Holland, Illinois 60473 (the "Mortgagor") and AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, having an address at 4343 Lincoln Highway, Matteson, Illinois 60443 (the "Mortgagee");

WHEREAS, the Mortgagor is issuing to the Mortgagee that certain Installment Note (Secured) dated October 28, 1999 in the principal amount of \$362,500 (the "Note") made payable to the Mortgagee and dated the date of issuance, for the purpose of financing the cost of the constructing a building on certain property thereof for use as a manufacturing facility (the "Project"); and

WHEREAS, the Mortgagor is indebted to the Mortgagee in the sum of \$362,500 with interest thereon, to be paid on or before April 30, 2007, according to the Note in and by which said Note the Mortgagor promises to pay the said principal sums, premium, if any, and interest on the balance of principal remaining from time to time unpaid on the Note at the rates per annum as provided for in said Note with the final payment of principal plus interest if not sooner paid by optional or mandatory prepayment or acceleration due on the maturity date specified in the Note; and

NOW THEREFORE the Mortgagor, in order to secure the payment of the principal of and interest on the Note in accordance with the terms and provisions thereof and the observance and

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performance of all covenants and agreements herein or therein or in the Agreement contained, and also for and in consideration of the sum of Ten Dollars to the Mortgagor in hand paid by the Mortgagee, at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, and in consideration of the payment of all obligations and the performance of the Mortgagor under any other agreements with the Mortgagee and any and all indebtedness, obligations and liabilities of any kind of the Mortgagor, now or hereafter existing, direct or indirect (including without limitation any participation interest acquired by the Assignee in any such indebtedness, obligations or liabilities of the Mortgagor to any other person), absolute or contingent, joint and/or several, secured or unsecured, arising by operation of law or otherwise, and whether incurred by the Mortgagor as principal, surety, endorser, guarantor, accommodation party or otherwise (all of the foregoing being sometimes herein referred to as the "indebtedness hereby secured"), hereby grants, bargains, sells, aliens, releases, conveys, confirms and mortgages by these presents unto the said Mortgagee and its successors and assigns a security interest in; subject, however, to the provisions of a Mortgage and Security Agreement recorded in the office of the Recorder of Deeds, Cook County, Illinois as Document No. 09016826 (the "First Mortgage"), to which this Mortgage shall be junior and subordinate.

ALL that tract or parcel of land and premises, situated, lying and located on a parcel of land located at 1000 Maple Avenue, Homewood, Illinois, in the County of Cook and State of Illinois, more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Land"). The Land so described in Exhibit "A," together with the real and personal property hereinafter described are referred to herein collectively as the "premises."

TOGETHER with all buildings, improvements, tenements, easements, fixtures and appurtenances at any time belonging thereto, all materials intended for construction, reconstruction, alteration and repairs of said buildings and improvements, all of which materials shall be deemed to be included within the premises immediately upon delivery thereof to the Land and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate as security for the payment of the indebtedness secured hereby and not secondarily), and, without limiting the generality of the foregoing, all apparatus and building equipment of every kind now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, and all screens, window shades, storm doors and windows, awnings, floor coverings, gas and electric fixtures, stoves, boilers, sinks and water heaters. All of the foregoing are declared to be a part of said real estate whether physically attached thereto or not, and it is agreed that all similar apparatus, equipment or articles hereafter placed in the premises by the Mortgagor or its successors or assigns shall be considered as constituting part of the real estate.

TOGETHER with all easements, rights of way, licenses, and privileges of the Mortgagor on or with respect to or relating in any way to the premises and the buildings and improvements and facilities thereon;

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TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion or reversions, remainder and remainders thereof; and also all the estate, right, title, interest, property, claim and demand whatsoever of the Mortgagor, of, in and to the same and of, in and to every part and parcel thereof;

And as to the property aforesaid which is not deemed to be real property, including but not limited to the fixtures, this Mortgage is hereby deemed to be as well a Security Agreement under the provisions of the Illinois Uniform Commercial Code for the purpose of creating hereby a security interest in said property, which is hereby granted by the Mortgagor, as debtor, to the Mortgagee, as secured party and assigned and pledged to the Assignee as assignee of the Mortgagee, further securing the indebtedness hereby secured; the addresses of the Mortgagor (debtor), the Mortgagee (secured party) appear at the beginning of this Mortgage;

TO HAVE AND TO HOLD the premises unto the said Mortgagee, its successors and assigns, forever; provided, however, that this Mortgage, is upon the express condition that if Mortgagor shall pay or cause to be paid all indebtedness hereby secured and shall keep, perform and observe all and singular the covenants and promises in the Note, in this Mortgage or in any other instrument or document securing the Note or in any agreement applicable thereto expressed to be kept, performed and observed by Mortgagor, then this Mortgage and the estate and rights hereby granted shall cease, determine and be void and this Mortgage shall be released by Mortgagee upon the written request and at the expense of Mortgagor, otherwise to remain in full force and effect.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Mortgagor shall (a) keep the premises in reasonably safe condition; (b) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or destroyed except as provided in Section 5.4 of the Loan Agreement dated as of September 1, 1999 (the "Agreement") between the Illinois Development Finance Authority (the "Issuer") and the Mortgagor, such Agreement having been assigned by the Issuer to the Mortgagee pursuant to the Assignment and Agreement dated as of September 1, 1999 from the Issuer to the Mortgagee; (c) keep said premises in good condition and repair, without waste, and free from charges, encumbrances, mechanic's or other liens or claims for lien except the Permitted Encumbrances, as defined in the Agreement; (d) pay when due any indebtedness which may be secured by a lien, charge or encumbrance on the premises, and upon request exhibit satisfactory evidence of the discharge of same to Mortgagee; (e) complete within a reasonable time any building or buildings now or at any time in process of erection upon said premises; (f) comply with all requirements of law or municipal ordinances with respect to the premises and the use thereof; (g) without prior written consent of the Mortgagee not demolish or make any material alteration in said premises except as required by law or municipal ordinance; (h) not suffer, tolerate or permit a material change in the zoning of the premises; (i) not terminate, modify, amend, cancel, accept a surrender of or enter into any lease of all or any part of the premises; and (j) promptly notify Mortgagee of any damage or destruction to the premises, of any pending or threatened proceeding for the taking (by eminent domain or otherwise) of any part thereof, of any notice from any

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governmental authority alleging violation of any building code, zoning ordinance or other governmental requirement or of any other event or condition which might impair the value of the premises or its use for its intended purpose.

2. Mortgagor shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges and other charges against the premises when due, and shall upon written request, furnish to Mortgagee duplicate receipts therefor. The Mortgagor may, at its expense and in its own name and behalf in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, provided during such period enforcement of any such contested item shall be effectively stayed. In addition, prior to any such contest the Mortgagor shall have previously deposited with the Mortgagee an amount of cash in an amount equal to one and one-half times the value of the amount so contested or other equivalent security, provided, however, if such taxes must be paid to any extent to be so contested the Mortgagor shall additionally pay such taxes in the amount and manner so required. If the Mortgagor fails to diligently pursue such contest, the Mortgagee shall have the right, but not the obligation, to pay any such taxes, assessments or other charges without inquiry as to their validity, and any amounts advanced by the Mortgagee shall be immediately due and payable from the Mortgagor together with interest at interest rate equal to the sum of the interest rate that would otherwise be in effect on the Note plus 3% (the "Default Rate").

3. Mortgagor shall keep all buildings and improvements now or hereafter situated on said premises insured against loss or damage by fire, flood hazards (to the extent insurance therefor is obtainable) and such other hazards or contingencies and in such amounts as are required by Section 5.3 of the Agreement. In no event shall any such policy of insurance be so written that the proceeds thereof will produce less than the minimum coverage required by reason of co-insurance or otherwise. All such policies shall contain standard mortgage clauses. The Mortgagor shall cause certificates of such insurance or copies of such insurance policies to be delivered to Mortgagee and, in the case of insurance about to expire or to be terminated, shall deliver evidence of renewal to Mortgagee not less than 30 days prior to the respective dates of expiration or termination. Mortgagee shall apply any insurance proceeds at any time coming into its hands in accordance with the provisions of Section 5.4 of the Agreement.

4. In order to assure the payment of Real Estate Taxes ("Taxes") pursuant to Section 2 hereof and premiums payable with respect to all Insurance Policies ("Premiums") pursuant to Section 3 hereof as and when the same shall become due and payable the Mortgagor shall pay or cause to be paid all Taxes and Premiums and shall furnish proof thereof to the Mortgagee at least ten (10) days before the due date and shall furnish to the Mortgagee annually a Certificate of Insurance relating to the premises not later than fourteen (14) days before the expiration of said Insurance Policies.

At the request of the Mortgagee which may be established at any time following a default pursuant to paragraph 6 hereunder:

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(a) The Mortgagor shall deposit with the Mortgagee on the first business day of each and every month, an amount equal to one twelfth (1/12) of the Taxes and Premiums to become due upon the premises between one and thirteen (13) months after the date of such deposit. The amounts of such deposits (herein generally called "Tax and Insurance Deposits") shall be based upon the Mortgagee's reasonable estimate as to the amount of Taxes and Premiums. The Mortgagor shall promptly upon the demand of the Mortgagee make additional Tax and Insurance Deposits as the Mortgagee may from time to time require due to (i) failure of the Mortgagee to require, or failure of the Mortgagor to make, Tax and Insurance Deposits in previous months, (ii) underestimation of the amounts of Taxes and/or Premiums, or (iii) the particular due dates and amounts of Taxes and/or Premiums. Additionally, upon the execution hereof, the Mortgagor shall deposit with the Mortgagee as a Tax and Insurance Deposit, the amount of all Taxes and Premiums to become due and payable prior to the first monthly Tax and Insurance Deposit or within one month thereafter.

(b) The Mortgagee will, out of the Tax and Insurance Deposits, upon the presentation to the Mortgagee by the Mortgagor of the bills therefor, pay the Taxes and Premiums or will, upon the presentation of receipted bills therefor, reimburse the Mortgagor for such payments made by the Mortgagor. If the total Tax and Insurance Deposits on hand shall not be sufficient to pay all of the Taxes and Premiums when the same shall become due, then the Mortgagor shall pay to the Mortgagee on demand the amount necessary to make payment upon the deficiency.

(c) If Mortgagee at any time waives or suspends the requirement of such Tax and Insurance Deposits, any such waiver or suspension shall be subject to Mortgagee's right to reinstate such requirement at any time.

5. In case Mortgagor shall fail to perform any covenants herein contained, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said premises or contest any tax assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other moneys advanced by Mortgagee to protect the mortgaged premises and the lien hereof shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the Default Rate. Mortgagee shall be subrogated to all rights, claims and liens of any party whose debt is discharged pursuant to this Section 5. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default hereunder on the part of Mortgagor. Mortgagee in making any payment hereby authorized may do so according to any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

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6. Mortgagor shall pay each item of indebtedness herein mentioned, both principal and interest, when due according to the terms hereof and of the Note. At the option of Mortgagee and without notice to Mortgagor, all unpaid indebtedness secured by this Mortgage shall, notwithstanding anything in the Note, or in this Mortgage to the contrary, become immediately due and payable (a) in the case of default in making payment of any installment of principal or interest on the Note on the due date thereof, or in making payment of any other sum due hereunder or under any of the indebtedness hereby secured, or (b) in case an Event of Default (as defined in the Note) occurs under the Note, or (c) in case the undersigned shall, without the prior written consent of Mortgagee, sell, assign, transfer, mortgage, encumber, pledge or lease the real estate subject hereto, or any portion thereof or interest therein or contract or agree so to do without the prior written consent of the Mortgagee; or (d) if the provisions of Paragraphs 2, 3 or 4 are breached or violated, or (e) when default shall occur and continue for 30 days in the performance or observance of any other agreement of the Mortgagor herein contained, or (f) Mortgagor abandons the premises, or (g) the Mortgagor shall become bankrupt or insolvent or proceedings under any bankruptcy, insolvency, arrangement or adjustment proceedings or similar law shall be instituted or commenced by or against the Mortgagor, or (h) proceedings shall be commenced to foreclose or otherwise realize upon any lien, charge or encumbrance on the premises or any part thereof, provided that such proceedings shall not be a default hereunder if they are being contested in good faith and security and funds sufficient to satisfy such lien, charge or encumbrance shall have been deposited with the Mortgagee and such proceedings shall be sufficient to prevent the foreclosure or other sale of the premises, or (i) a default has occurred in the First Mortgage, the Agreement or the Note and any applicable cure period has expired.

7. When the indebtedness hereby secured shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all reasonable expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, Mortgagee's fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, guarantee policies, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the Default Rate, when paid or incurred by Mortgagee in connection with (a) any proceeding, including bankruptcy proceedings, to which Mortgagor shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness hereby secured; or (b) preparation for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose, whether or not actually commenced; or (c) preparation for the defense of any threatened suit or proceedings which might affect the premises or the security hereof, whether or not actually commenced. Mortgagor hereby waives any and all rights of redemption from sale to which it may be entitled under the laws of the State of Illinois on behalf of Mortgagor and each and every person

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acquiring any interest in, or title to, the premises described herein subsequent to the date hereof and on behalf of all other persons to the extent permitted by law. The Mortgagor represents that this Mortgage is a non-residential and a non-agricultural Mortgage.

8. The proceeds of any foreclosure sale of the premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings or sale, including all such items as are mentioned in the preceding paragraph hereof; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all costs and expenses of the Mortgagee; fourth, all interest, fees and other expenses, if any, due and owing, remaining unpaid on the Note; fifth, all principal due and owing, remaining unpaid on the Note; sixth, any overplus to Mortgagor, its legal representatives or assigns, to be distributed in accordance with the Note to the parties thereto, as their rights may appear.

If at any foreclosure proceeding the premises shall be sold for a sum less than the total amount of indebtedness for which judgment is therein given, the judgment creditor shall be entitled to the entry of a deficiency decree against Mortgagor and against the property of Mortgagor for the amount of such deficiency. Mortgagor hereby irrevocably consents to the appointment of a receiver for the Mortgaged Premises and the property of Mortgagor and of the rents, issues and profits thereof after such sale and until such deficiency decree is satisfied in full.

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

10. As further security for the indebtedness hereby secured, Mortgagor hereby assigns to Mortgagee any and all awards at any time made for the taking (whether permanent or temporary) by condemnation, eminent domain or otherwise of all or any part of the premises or any rights,

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interests or privileges appurtenant thereto, together with the right (but not the duty) to collect, receive, receipt for, compromise and adjust such awards and to endorse the name of Mortgagor on any commercial paper given in payment thereof and also all proceeds of insurance relating to the premises. Unless Mortgagee shall otherwise agree, the proceeds of all such awards shall be applied as provided in the Agreement.

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

12. Mortgagee shall have the right to inspect the premises at all reasonable times and access thereto shall be permitted for that purpose.

13. Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension, exemption or redemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the sale of the premises, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the premises sold as an entirety and MORTGAGOR HEREBY SPECIFICALLY WAIVES ANY RIGHTS OF REDEMPTION UNDER THE ILLINOIS COMPILED STATUTES OR OTHERWISE PROVIDED UNDER LAW OR IN EQUITY.

14. With respect to any part of the premises which are not deemed to be real property, Mortgagee shall have all remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation thereto the right to take possession of the tangible personal property, machinery and equipment which is security for the indebtedness hereunder and for that purpose the Mortgagee may, insofar as the Mortgagor can give authority therefor, enter upon the premises on which said tangible personal property or any part thereof may be situated and remove the same therefrom. Unless said tangible personal property is perishable, threatens to decline speedily in value or is of a type customarily sold on a recognized market, Mortgagee will give Mortgagor at least ten (10) days prior written notice of the time and place of any public sale thereof or of a time after which a private sale or other intended disposition thereof is to be made.

15. This Mortgage and all provisions hereof, shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons, jointly and severally.

16. If any provisions of this Mortgage shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances

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shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

17. The invalidity of any one or more phrases, sentences, clauses or Sections in this Mortgage contained, shall not affect the remaining portions of this Mortgage, or any part thereof.

18. [Reserved]

19. No remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Mortgage or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Mortgagee to exercise any remedy reserved to it herein, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies, as are given the Mortgagee hereunder shall also extend to the Assignee.

20. The Mortgagor will, forthwith after the execution and delivery of this Mortgage, the Second Assignment of Rents and Leases dated as of September 1, 1999 from the Mortgagor to the Mortgagee (the "Assignment of Rents and Leases") and thereafter from time to time cause this Mortgage, the Assignment of Rents and Leases (including any amendments thereto and supplements thereof) and any financing statements in respect thereof (including continuation statements) to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice of and fully protect the lien and security interest of the Assignee in the premises.

21. All notices hereunder shall be deemed to have been given when deposited in the mail postage prepaid, certified or registered mail, return receipt requested, or in person addressed as follows: if to the Assignee at 4343 Lincoln Highway, Matteson, Illinois 60443, Attention: Commercial Loan Department-Jeanne C. Reynolds and if to the Mortgagor at BOMER, L.L.C., 530 West 172nd Street, South Holland, Illinois 60473, Attention: President with a copy to Cary A. Horvath, 2410 Prairie Street, Blue Island, Illinois 60406, or at any other address of which either party shall have notified the person giving such notice in writing.

22. (a) Mortgagor's Representations and Warranties. Mortgagor represents and warrants to the Mortgagee as follows:

(1) Violation. (i) Mortgagor has not used Hazardous Materials (as hereinafter defined) on, from or affecting the mortgaged premises in any manner which violates any Governmental Regulation governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials and, to the best of the Mortgagor's knowledge after

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making reasonable inquiry, no prior owner of the mortgaged premises or any existing or prior tenant or occupant has used Hazardous Materials on, from or affecting the mortgaged premises in any manner which violates any Governmental Regulation governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials; (ii) Mortgagor has never received any notice of any violations of any Governmental Regulation governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials at the mortgaged premises and, to the best of the Mortgagor's knowledge after making reasonable inquiry, there have been no actions commenced or threatened by any party for noncompliance which affects the premises.

(2) Facilities. The premises have adequate water supply, sewage and waste disposal facilities. No underground storage tank is located on the premises.

(3) Contamination and Pollution. The Mortgagor shall and shall cause any tenant of the premises, initially, Exhibit Source, Inc., an Illinois corporation (the "Company") to, keep or cause the premises to be kept free of Hazardous Materials except to the extent that such Hazardous Materials are stored and/or used in compliance with all applicable Governmental Regulations; and, without limiting the foregoing, the Mortgagor shall not cause or permit the premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials, except in compliance with all applicable Governmental Regulations; nor shall the Mortgagor cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor, the Company or any tenant, subtenant or occupant, a release, spill, leak or emission of Hazardous Materials onto the premises or onto any other contiguous property.

(4) Clean-Up. To the best of the Mortgagor's knowledge, the premises do not appear on the National Priority List (as defined under federal law) or any state listing which identifies sites for remedial clean-up or investigatory actions. To the best of the Mortgagor's knowledge, information and belief, the premises have not been contaminated with substances which would give rise to a clean-up obligation under any Governmental Regulation or under common law.

(5) Licenses. All federal, state and local permits, licenses and authorizations required for present or past use of the premises or activities of the Mortgagor has been obtained, are presently in effect. There is and has been full compliance with all such permits, licenses or authorizations.

(6) Audit, Remedial Action. The Mortgagor shall conduct and complete all investigations, including a comprehensive environmental audit, studies, sampling, and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials on, under, from or affecting the premises as required by all applicable Governmental Regulations or by the Mortgagee, to the satisfaction of Mortgagee, and in accordance with the orders and directives of all federal, state and local governmental authorities. Such testing, remedial, removal and other actions shall include those required by federal and state regulations governing underground storage tank systems. If the Mortgagor fails to conduct an environmental audit required by

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Mortgagee, then Mortgagee may at its option and at the expense of the Mortgagor, conduct such audit.

Any such audit conducted by Mortgagee shall be conducted for the benefit of and to protect the interests of Mortgagee and shall not be relied upon by the Mortgagor, the Company or any third party for any purpose whatsoever, including but not limited to any Mortgagor's, the Company's or any third party's obligation, if any, to conduct an independent environmental investigation of its own. By conducting any such audit, the Mortgagee does not assume any control over the environmental affairs or operations of Mortgagor or the Company nor assume any obligation or liability to the Mortgagor, the Company or any third party.

(b) Affirmative Covenants. The Mortgagor shall and shall cause the Company to:

(1) Do all things necessary to assure that the representations, warranties and covenants set forth herein are met and continue to be accurate and correct.

(2) Assure that all entities acting on behalf of the Mortgagor are aware of and comply with the obligations of the Mortgagor under this Paragraph 22.

(3) Conduct periodic reviews of the use of the premises and the activities of the Mortgagor and the Mortgagor to assure compliance with the obligations of the Mortgagor under this Paragraph 22.

(4) Promptly (i) notify the Mortgagee in writing of any occurrence or development or claim filed by it or against it which would cause any representation, warranty or covenant set forth in this Paragraph 22 to be incorrect, and (ii) take steps necessary to mitigate the effect of such noncompliance.

(5) If any investigation, site monitoring, containment, cleanup, removal, restoration or other remedial work of any kind or nature (the "Remedial Work") is reasonably necessary under any applicable federal, state or local law, regulation or ordinance, the Mortgagor shall, within thirty (30) days after written demand for performance by the Mortgagee (or within such shorter time as may be required by any applicable law) commence and thereafter diligently prosecute to completion all such Remedial Work.

(c) Negative Covenant. Mortgagor shall not, and shall not permit the Company to take any action or allow the premises to be used in such a manner that any representation, warranty or covenant set forth in this Paragraph 22 becomes incorrect or is not complied with.

(d) Indemnification. Subject to the limitations set forth below, the Mortgagor shall defend, indemnify and hold harmless the Mortgagee, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses, including, without limitation, attorney's and consultant's fees, investigation and laboratory

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fees, court costs and litigation expenses, known or unknown, contingent or otherwise, arising out of or in any way related to (i) the presence, disposal, release or threatened release of any Hazardous Materials on, over, under, from or affecting the premises or the soil, water, vegetation, buildings, personal property, persons or animals; (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials on the premises; (iii) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials with respect to the premises; (iv) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of the Mortgagee, which are based upon or in any way related to such Hazardous Materials used on the premises; (v) the imposition by any governmental authority of any lien or so-called "super priority" lien upon the premises; (vi) all foreseeable consequential damages; and/or (vii) the costs of any required or necessary repair, cleanup or detoxification of the premises. The indemnity obligations under this paragraph are specifically limited as follows:

(x) the Mortgagor shall have no indemnity obligations with respect to Hazardous Materials that are first introduced to the premises or any part of the premises subsequent to the date that Mortgagor's interest in and possession of the premises or any part of the premises shall have ended or have been fully terminated by foreclosure of any mortgage held by Mortgagee or acceptance by Mortgagee of a deed in lieu of foreclosure or other collateral liquidation procedure;

(y) the Mortgagor shall have no indemnity obligations with respect to Hazardous Materials that are first introduced to the premises by the Mortgagee, its successors or assigns.

The Mortgagor agrees that in the event any mortgage held by the Mortgagee is foreclosed or the Mortgagor tenders a deed in lieu of foreclosure, the Mortgagor shall deliver the premises to the Mortgagee free of any and all Hazardous Materials which are then required to be removed (whether over time or immediately) pursuant to applicable Governmental Regulations affecting the premises.

The provisions of this Paragraph 22(d) shall be in addition to any and all other obligations and liabilities any Mortgagor may have to the Mortgagee under the Agreement, any loan document, and in common law, and shall survive (a) the repayment of all sums due for the indebtedness secured hereby, (b) the satisfaction of all of the other obligations of the Mortgagor under any loan document, (c) the discharge of any mortgage held by the Mortgagee and (d) the foreclosure of any mortgage held by the Mortgagee or acceptance of a deed in lieu of foreclosure. It is the intention of the Mortgagor and the Mortgagee that the indemnity provisions of this Paragraph 22(d) shall only apply to an action commenced against any owner or operator of the premises in which any interest of the Mortgagee is threatened or any claim is made against the Mortgagee for the payment of money.

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(e) Definitions.

"Governmental Regulations" means any law, regulation, rule, policy, ordinance or similar requirement of the United States, any state, and any country, city or other agency or subdivisions of the United States or any state.

"Hazardous Materials" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local government law, ordinance, rule or regulation.

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

If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of the Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law.

Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Mortgage, shall be added to the indebtedness secured hereby or by the judgment of foreclosure.

Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in Section 15-1201 of the Act) or residential real estate (as defined in Section 15-1219 of the Act), and to the full extent permitted by law, hereby voluntarily and knowingly waives its rights to reinstatement and redemption as allowed under Section 15-1610(b) of the Act, and to the full extent permitted by law, the benefits of all present and future valuation, appraisal, homestead, exemption, stay, redemption and moratorium laws under any state or federal law.

24. Upon notice from Mortgagee of the loss, theft, or destruction of the Note and upon receipt of indemnity reasonably satisfactory to Mortgagor from Mortgagee, or in the case of mutilation of the Note, upon surrender of the mutilated Note, Mortgagor shall make and deliver a new note of like tenor in lieu of the then to be superseded Note.

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25. Time is of the essence of this Mortgage and the performance of each of the covenants and agreement contained herein.

26. TO INDUCE MORTGAGEE TO ACCEPT THIS MORTGAGE, MORTGAGOR IRREVOCABLY AGREES THAT, SUBJECT TO MORTGAGEE'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY, MANNER OR RESPECT, ARISING OUT OF OR FROM OR RELATED TO THIS MORTGAGE SHALL BE LITIGATED IN COURTS HAVING SITUS WITHIN THE CITY OF CHICAGO, STATE OF ILLINOIS. MORTGAGOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN SAID CITY AND STATE. MORTGAGOR HEREBY WAIVES ANY RIGHT IT MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST MORTGAGOR BY MORTGAGEE IN ACCORDANCE WITH THIS PARAGRAPH.

MORTGAGOR AND MORTGAGEE BY ITS ACCEPTANCE OF THIS MORTGAGE, HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, OR RELATED TO, THE SUBJECT MATTER OF THIS MORTGAGE AND THE BUSINESS RELATIONSHIP THAT IS BEING ESTABLISHED. THIS WAIVER IS KNOWINGLY, INTENTIONALLY AND VOLUNTARILY MADE BY MORTGAGOR AND MORTGAGEE, AND MORTGAGOR ACKNOWLEDGES THAT NEITHER MORTGAGEE NOR ANY PERSON ACTING ON BEHALF OF MORTGAGEE HAS MADE ANY REPRESENTATIONS OF FACT TO INCLUDE THIS WAIVER OF TRIAL BY JURY OR HAS TAKEN ANY ACTIONS WHICH IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. MORTGAGOR AND MORTGAGEE ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH OF THEM HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS MORTGAGE AND THAT EACH OF THEM WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. MORTGAGOR AND MORTGAGEE FURTHER ACKNOWLEDGE THAT THEY HAVE BEEN REPRESENTED (OR HAVE HAD THE OPPORTUNITY TO BE REPRESENTED) IN THE SIGNING OF THIS MORTGAGE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL.

27. Any provision herein, or in any other agreement or commitment, whether written or oral, expressed or implied, to the contrary notwithstanding, Mortgagee shall not in any event be entitled to receive or collect, nor shall or may amounts received hereunder be credited, so that Mortgagee shall be paid, as interest, a sum greater than the maximum amount permitted by applicable law to be charged to the person, partnership, firm or corporation primarily obligated to pay the secured obligations at the time in question. If any construction of this Mortgage indicates a different right given to Mortgagee to ask for, demand or receive any larger sum as interest, such is a mistake in calculation or wording which this clause shall override and control, it being the intention of Mortgagor and Mortgagee that this Mortgage and any other documents executed in connection herewith conform strictly to applicable usury laws. In no event shall the amount treated as the total interest exceed the maximum amount of interest which may be lawfully contracted for,

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charged, taken, received or reserved by Mortgagee in accordance with the applicable usury laws, taking into account all items which are treated as interest under applicable law, computed in the aggregate over the full term of the loan evidenced hereby. In the event that the aggregate of all consideration which constitutes interest under applicable law that is taken, reserved, contracted for, charged or received under this Mortgage and any other documents executed in connection herewith shall ever exceed the maximum nonusurious rate under applicable law, any sum in excess thereof shall be applied to the reduction of the unpaid principal balance of indebtedness hereby secured, and if indebtedness hereby secured is paid in full, any remaining excess shall be paid to Mortgagor. In determining whether or nor the interest paid or payable, under any specific contingency, exceeds the maximum nonusurious rate under applicable law, if any, Mortgagor and Mortgagee shall, to the maximum extent permitted under applicable law, (a) characterize any nonprincipal amount as an expense or fee rather than as interest, (b) exclude voluntary prepayments and the effects thereof, or (c) "spread" the total amount of interest throughout the entire term of indebtedness hereby secured so that the interest rate is uniform throughout the entire term of indebtedness hereby secured; provided, however, that if indebtedness hereby secured is paid and performed in full prior to the end of the full contemplated term thereof, and if the interest received for the actual period of existence thereof exceeds the maximum nonusurious rate, if any, Mortgagee shall refund to Mortgagor the amount of such excess.

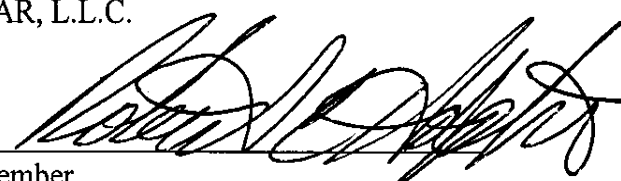
28. This Mortgage is given, in part, to secure amounts advanced by Mortgagee pursuant to drawings under the Note and shall secure not only existing indebtedness hereby secured but also such future advances, as are made within ninety (90) months from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage and although there may be no indebtedness hereby secured outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all indebtedness hereby secured, including future advances, from the time of its filing for record in the recorder's or registrar's office of the county in which the premises is located. The total amount of indebtedness hereby secured may increase or decrease from time to time, but the total unpaid principal balance of indebtedness hereby secured (including disbursements which the Mortgagee may make under this Mortgage, or under the Note at any time outstanding shall not exceed a maximum principal amount of \$3,000,000 plus interest thereon, any reasonable fees, costs and expenses payable hereunder, including, without limitation, any disbursements made for payment of taxes, special assessments or insurance on the Mortgaged Premises and interest on such disbursements (all such indebtedness being hereinafter referred to as the "maximum amount secured hereby"). This Mortgage shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the premises, to the extent of the maximum amount secured hereby.

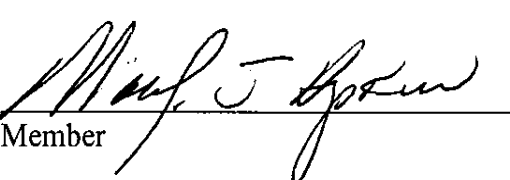
29. This Mortgage secures an obligation for the construction of improvements on real property herein described. As such, this Mortgage constitutes a construction mortgage for the purpose of Article Nine of the Uniform Commercial Code of Illinois and is entitled to all of the benefits afforded construction mortgages thereunder.

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IN WITNESS WHEREOF, the Mortgagor has executed and delivered these presents as of the day and year first above written.

BOMAR, L.L.C.

By: 
Its: Member

By: 
Its: Member

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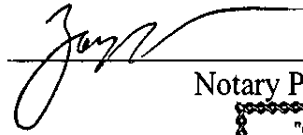
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY, THAT Robert C. Hopkins and Marilyn J. Hopkins, the Members of BoMar, L.L.C., an Illinois limited liability company, personally known to me to be the same persons whose names are subscribed to the foregoing instrument appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and the free and voluntary act of the company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 28th day of October, 1999.



Notary Public



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EXHIBIT A

Description of Project Site

Lot 1 in Resubdivision of Prairie Lakes Business Center Lots 1 through 10 and Outlot "B" in Block 1, Recorded as Document No. 99610317, Being a Part of the Northeast 1/4 of Section 32, Township 36 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

9161.2

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