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Illinois Anti-Predatory
Lending Database
Program

Certificate of Exemption



Doc#: 0909245115 Fee: \$88.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 04/02/2009 12:42 PM Pg: 1 of 27

Report Mortgage Fraud
800-532-8785

The property identified as: PIN: 13-36-103-002-0000

Address:

Street: 2357 North Milwaukee Avenue

Street line 2:

City: Chicago

State: IL

ZIP Code: 60647

Lender: MaxFar, LLC

Borrower: James Equities Land Fund I, LLC

Loan / Mortgage Amount: \$725,000.00

This property is located within Cook County and is exempt from the requirements of 765 ILCS 7770 et seq. because it is commercial property.

Certificate number: 47442BAE-CCB0-47BA-AB54-442D8165849D

Execution date: 03/01/2009

27

First American Title Order # NCB 386993
4 of 5 AMC DEL

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This instrument prepared by and
return recorded copy to:
MKS Attorneys at Law, LLC
225 West Hubbard Street
Suite 650
Chicago, Illinois 60654
Attention: Member



MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT ("Mortgage") is made as of March 1, 2009, by **JAMES EQUITIES LAND FUND I, LLC**, an Illinois limited liability company ("Borrower"), whose address is 65 East Wacker Place, Suite 2300, Chicago, Illinois 60601, and by **JOHN R. BURNS**, an individual with a mailing address of 65 East Wacker Place, Suite 2300, Chicago, Illinois 60601 ("JRB") for the benefit of, **MAXFAR, LLC**, an Illinois limited liability company ("Lender"), whose address is 1920 North Clark Street, Number Seventeen, Chicago, Illinois 60614.

THIS INSTRUMENT IS A MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING AS DEFINED IN THE ILLINOIS PROVISIONS OF THE UNIFORM COMMERCIAL CODE (REVISED) AS IN EFFECT IN ILLINOIS, COVERING BOTH REAL AND PERSONAL PROPERTY, INCLUDING GOODS THAT ARE OR ARE TO BECOME FIXTURES. IT IS TO BE FILED IN THE REAL ESTATE RECORDS OF COOK COUNTY, ILLINOIS, AND UPON SUCH FILING IS EFFECTIVE AS A FIXTURE FILING UNDER THE CODE. THE FIXTURES OR GOODS THAT ARE OR ARE TO BECOME FIXTURES WILL BE SITUATED ON THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

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WITNESSETH:

WHEREAS, Lender has agreed to make a certain loan to Borrower (the "Loan") evidenced by a Promissory Note (the "Note"), dated as of the date hereof, executed by Borrower to the order of Lender in the principal amount of **SEVEN HUNDRED TWENTY FIVE THOUSAND AND NO/100TH DOLLARS (\$725,000.00)** bearing interest at 16% per annum and having a maturity date of March 1, 2011 (the "Maturity Date");

WHEREAS, Lender has conditioned its making of the Loan upon Borrower granting this mortgage and security interest in certain real estate which Borrower owns and which is located in Cook County, Illinois, more particularly described in the attached **Exhibit A**, the improvements thereon and the property used in connection therewith (the "Real Estate" which is comprised of three separate parcels as described on **Exhibit A**, each parcel a "Component");

WHEREAS, JRB is a member in Borrower and will benefit from the Loan to Borrower and Lender has further conditioned its making of the Loan upon JRB granting this mortgage and security interest in "Parcel II" described on **Exhibit A** and commonly known as 2274 North Milwaukee Avenue, Chicago, Illinois, which JRB owns with Borrower as tenants in common;

WHEREAS, the Note, this Mortgage and any and all other agreements or other documents delivered by Borrower in connection with the Loan to Lender and all renewals, extensions and replacements thereof are collectively referred to as the "Loan Documents," and all of the indebtedness and obligations of Borrower in connection with the Loan arising under the Loan Documents are collectively referred to as "Borrower's Obligations"; and

WHEREAS, Borrower and JRB desires to secure the prompt payment and performance of Borrower's Obligations.

NOW THEREFORE, to secure the prompt payment and performance of all of Borrower's Obligations, Borrower and JRB, as their interests appear, do hereby irrevocably **WARRANT, GRANT, GIVE, BARGAIN, CONFIRM, ASSIGN, PLEDGE, SET OVER, TRANSFER, CONVEY, REMISE, RELEASE AND OTHERWISE MORTGAGE** unto Lender, its successors and assigns, all of Borrower's and JRB's present and future title, right and interest in and to the Real Estate, together with all tenements, hereditaments, appurtenances, easements, rights of way and rights appertaining thereto or used in connection therewith, together with all rights, title and interests of Borrower and JRB, now existing or hereafter arising, in and to:

(i) All rights, privileges, interests, tenements, hereditaments, easements and appurtenances in any way now or hereafter benefitting, belonging or appertaining to all or any of the Real Estate, including (without limiting the generality of the foregoing) all land lying within any roadway and strips adjoining all or any of the Real Estate, all minerals, oil, gas and other hydrocarbon substances thereon or therein and all air rights and water rights (collectively, the "Easements and Appurtenances");

(ii) All buildings, structures and other improvements of every kind and description now

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or hereafter erected, constructed or placed on the Real Estate, together with all fixtures, equipment, machinery, apparatus, furniture, furnishings and other articles of personal property now or hereafter located in or upon, attached to or regularly used or intended to be regularly used in connection with the Real Estate, and all replacements thereof, including all components thereof, whether real or personal property (collectively, the "Improvements");

(iii) All extensions, improvements, betterments, substitutes, replacements, renewals, additions and appurtenances of or to the Easements and Appurtenances and of or to the Improvements (collectively, the "Additions");

(iv) All rents, issues, proceeds, income, profits and security and other tenant deposits of the Real Estate, the Easements and Appurtenances, the Additions and the Improvements, including all leases and subleases of all or any of such property (collectively, the "Rents"); and

(v) All awards, payments and proceeds of conversion, whether voluntary or involuntary, of any of the Real Estate, Easements and Appurtenances, Improvements, Additions and Rents, including (without limitation) all insurance, condemnation and tort claims, rent claims and other obligations dischargeable in cash or cash equivalent (collectively, the "Proceeds"),

all of which foregoing shall be considered mortgaged by this Mortgage and shall be hereinafter collectively referred to as the "Property".

AND, Borrower, for itself and its successors and assigns, hereby further covenants with Lender as follows:

1. Representations and Warranties.

(a) Borrower and JRB represent and warrant, as their interests appear, that (i) Borrower and JRB have valid and indefeasible title in fee simple to the Property, and have good and legal right to mortgage the Property and (ii) the Property is and shall remain free from all liens and encumbrances, except only the lien of current real estate taxes not delinquent, the matters set forth in **Exhibit B** attached hereto and incorporated herein by reference, and any liens and encumbrances in favor of Lender (the "Permitted Exceptions"), and Borrower will warrant and defend Borrower's rights, title and interests of, in and to the Property against all claims made thereon.

(b) The financial statements of Borrower, heretofore furnished by Borrower to Lender ("Financial Statements"), correctly and fairly present the financial condition of Borrower as at the date thereof and for the periods shown and covered thereby. Borrower has no material liabilities, direct, contingent or otherwise, not shown on the Financial Statements, and there has been no material, adverse change in their assets or condition (financial or otherwise) since the date of the Financial Statements. Borrower agrees to promptly inform Lender of any material, adverse change in the assets or condition (financial or otherwise) of Borrower since the date of the Financial Statements and to provide unaudited financial statements prepared on an income tax basis and underlying statement of assets and liabilities and actual cash income and expenses for

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Borrower within one hundred twenty (120) days of the end of each calendar year.

2. **Affirmative Covenants of Borrower.** Until the entire indebtedness secured by this Mortgage is fully paid and all of Borrower's Obligations are fully satisfied, Borrower, for itself and its successors and assigns, agrees as follows:

(a) **Payment of Indebtedness.** Borrower shall pay promptly when the same shall become due and payable (i) the principal sum and accrued interest on and the outstanding principal balance of the Note in accordance with the provisions of the Note, and (ii) all other of Borrower's Obligations, all without relief from valuation or appraisal laws.

(b) **Damage or Destruction.** If all or a portion of the Property or the Improvements are damaged or destroyed by fire or other casualty, then Borrower shall notify Lender immediately. Borrower and JRB hereby authorize Lender, in conjunction with Borrower and JRB, to (i) make proof of loss, (ii) adjust, compromise and settle any claim under insurance policies covering the damage or destruction, (iii) prosecute any action arising from such insurance policies, and (iv) collect and receive insurance proceeds and deduct from such proceeds all costs incurred by Lender in connection with collecting the proceeds. Lender, at its option, may require Borrower to collect the insurance proceeds at Borrower's cost and expense and/or take any act or prosecute any action necessary or appropriate to collect the insurance proceeds. If no Event of Default (as hereinafter defined or as defined in any other Loan Document) has occurred and if no condition exists, which with the passage of time or the giving of notice, would constitute an Event of Default, then any insurance proceeds collected by Lender, JRB or Borrower as a result of the damage to or destruction of the Property or the Improvements (less the costs, if any, incurred by Lender in connection with the collection of the insurance proceeds) shall be used to secure the Real Estate and the Improvements from danger to person and property and then to the extent of remaining insurance proceeds to pay the indebtedness evidenced by the Note. It is acknowledged and agreed that the Improvements existing on the Real Estate as of the date of this Mortgage (the "Existing Improvements") are contemplated to be demolished in connection with redevelopment of the Real Estate and as such rebuilding the Existing Improvements in the event of a material casualty is not contemplated. If an Event of Default has occurred or if a condition exists, which with the passage of time or the giving of notice, would constitute an Event of Default, then such insurance proceeds, at the option of Lender, shall be (i) applied in reduction of the indebtedness secured hereby, whether or not then due and payable, or (ii) held by Lender and used to reimburse Borrower for the cost of securing the Real Estate and the Improvements from danger to person and property. Regardless of the cause of any damage to or destruction of the Real Estate or the Improvements or the availability of insurance proceeds, Borrower shall (i) secure the Real Estate and the Improvements from danger to person or property which are damaged or destroyed at Borrower's cost and expense, or (ii) pay in full all indebtedness secured hereby and discharge all other Borrower's Obligations. Borrower shall commence securing the Improvements so as to protect person and property from danger promptly after the occurrence of the damage or destruction.

(c) **Condemnation.** Borrower and JRB, as their respective interests appear, hereby assigns to Lender any award or payment to which Borrower and/or JRB has any claim or right in

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respect of any condemnation of all or any portion of the Property. The conditions, terms and provisions of Subsection 2(b) respecting insurance proceeds from damage or destruction of the Property shall govern and control both (i) the application and use of the proceeds of any such award or payment and (ii) the obligation of Borrower to secure the Real Estate and the Improvements from danger to person or property. A condemnation shall include any taking by any governmental authority or any conveyance in lieu thereof.

(d) **Priority of Lien.** This Mortgage shall be maintained as a valid mortgage lien and security interest on and in the Property, subject only to the Permitted Exceptions. It is acknowledged and agreed that the Permitted Exceptions include the indebtedness of Borrower owing to Citizens National Bank, a national banking association (the "First Lender") as of the date hereof and that this Mortgage is subordinate to the particular mortgage of the First Lender which encumbers a particular portion of the Real Estate, as described in the Permitted Exceptions (the "First Lender's Mortgage" and the indebtedness secured thereby the "First Lender's Loan").

(e) **Taxes and Utilities.** Borrower will pay all taxes, assessments, utility charges incurred in connection with the Property and maintain all utility services available for use at the Property. Borrower 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.

3. **Negative Covenants of Borrower.** Until the entire indebtedness secured by this Mortgage is fully paid and all of Borrower's Obligations are fully satisfied, Borrower, for itself and its successors and assigns, and as to his interest in Parcel JJRB for himself and his successors and assigns, each agrees as follows:

(a) **Encumbrance of the Property.** Except for the Permitted Exceptions, Borrower and JRB shall not cause, permit or suffer the creation or existence of any lien, encumbrance, cross-collateralization agreement, security interest or other charge upon, against or affecting the Property, any portion thereof or the rents, issues and profits therefrom, whether such lien, encumbrance, cross-collateralization agreement, security interest or other charge is prior to, upon a parity with or junior to this Mortgage or the security interest of Lender created pursuant to the security agreement set forth in Section 10 without the prior written consent of Lender.

(b) **Deterioration of the Property.** Borrower and JRB shall not commit, cause, permit or suffer waste or physical deterioration of the Property.

(c) **Violation of Laws.** Borrower shall not violate or permit violation of any law, code, ordinance, regulation, order or requirement, including those relating to environmental matters, of any city, county, state, federal or other governmental authority concerning the Property. If Borrower is advised by applicable authorities that it is in violation of law, Borrower shall promptly advise Lender and take all diligent and reasonable steps to cure the violation.

4. **Protection of Security.** If (i) Borrower shall default in the payment when due of principal or interest under the Note or default in the due observance or performance of any covenant, agreement, condition, term or provision of this Mortgage or any other Loan Document, or (ii) any

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of the representations, warranties or statements of Borrower or JRB set forth in this Mortgage or any other Loan Document shall be untrue or incorrect in any material respect at any time and in any respect, then Lender may disburse any sums and take any actions that Lender deems to be necessary or appropriate in its sole discretion to protect Lender's interest or the security given or intended to be given hereunder. All such sums disbursed by Lender and all costs and expenses incurred by Lender in connection with protecting Lender's interest or the security given or intended to be given hereunder (including without limitation reasonable attorneys' and paralegals' fees and court costs), together with interest thereon at the "Default Rate" (as defined in the Note), shall (i) constitute additional indebtedness secured by this Mortgage and (ii) be paid by Borrower to Lender on demand.

5. **Insurance.** Borrower shall maintain or cause to be maintained hazard, liability, flood insurance, and other insurance as required by Lender insuring the Property, all in such amounts, under such forms of policies, upon such terms and for such periods of coverage as Lender may reasonably require. All such policies shall jointly insure Borrower and Lender, and shall provide that losses will be payable to Borrower and Lender, as their interests appear, and that Lender shall receive at least thirty (30) days' written notice prior to cancellation or material change in coverage.

6. **Reserve For Taxes and Insurance.** Unless held by the First Lender, commencing upon the occurrence of an Event of Default, as hereinafter defined, Borrower shall deposit in escrow with Lender on each installment payment due date under the Note, an amount equal to One Twelfth (1/12) of the total amount reasonably estimated by Lender to be required to pay when due all real estate taxes and assessments on the Real Estate and/or the annual insurance premium. Any interest earned on such funds shall be the property of Lender. No trust shall be created by the establishment of such escrow, and such funds may be commingled with other funds of Lender. In the event that funds in the escrow account are insufficient to pay such amounts thirty (30) days in advance of the due date of payment, Borrower shall immediately pay to Lender such deficient amounts. Any notice of assessment or reassessment shall be immediately provided by Borrower to Lender, and the monthly escrow payment will be adjusted accordingly.

7. **Events of Default.** The term "Event(s) of Default," as used herein, shall mean the occurrence, from time to time, of any one or more of the following:

(a) **Non -Payment of Monetary Obligations.** If Borrower shall default in the payment when due of principal or interest or any other monetary obligation of Borrower under the Note or any other Loan Document, unless cured within ten (10) days following written notice of same by Lender to Borrower.

(b) **Breach of Covenants.** If Borrower or JRB shall default in the due observance or performance of any covenant, agreement, condition, term or provision of this Mortgage and such default shall continue uncured for thirty (30) day after Lender provides Borrower with written notice of such default, or if such default is incapable of cure within such period, Borrower shall fail to commence and diligently cure same within a total of forty-five (45) days from the date of such notice, provided that no such notice or cure period shall be applicable to any default as to the covenants contained in Sections 5, 11 or 12(p) hereof nor the events of Sections 7(d) and 7(e)

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herein below.

(c) **Representations and Warranties.** Any of the representations, warranties or statements of Borrower or JRB set forth in this Mortgage or any other Loan Document shall be untrue or incorrect in any material respect.

(d) **Default Under Other Loan Documents.** Default in due performance or observance of any other Borrower's Obligations or covenant, agreement, condition, term or provision of any other Loan Document, it being expressly recognized by Borrower that this Mortgage is security for the performance of each and every such obligation, covenant, agreement, contract, term or provision relating to the Loan.

(e) **Assignment or Encumbrance.** The sale, transfer, alienation, pledge or encumbrance (including any secondary financing or cross collateralization agreements) affecting the Property made by Borrower without the prior written consent of Lender. Any assignment of the membership interests of Borrower and/or the ownership interest in the managers of Borrower shall be considered an assignment as used in this subsection.

8. **Remedies on Default.** Upon the occurrence of an Event of Default, or at any time thereafter during the continuance of such Event of Default, Lender may exercise any or all of the following remedies:

(a) **Acceleration of Indebtedness.** Lender shall be entitled to declare (i) the entire unpaid balance of principal and interest of the Note without further notice to Borrower, (ii) the entire unpaid balance of all other of Borrower's Obligations, and (iii) all other amounts due and payable by Borrower pursuant to this Mortgage or the other Loan Documents to be immediately due and payable, without prior notice, presentation, demand, protest, notice of protest or other notice of dishonor of any kind, all of which are hereby expressly waived.

(b) **Sale on Foreclosure.** Lender shall be entitled to have this Mortgage and all interest or equity of Borrower and of all parties claiming under or through Borrower foreclosed and to have the Property sold according to law. The proceeds of any such sale shall be applied as follows: **first** to pay all charges, costs and expenses of the sale and to reimburse Lender for all amounts advanced by Lender to pay taxes, insurance premiums, environmental assessments, title insurance and survey costs, brokerage fees, attorneys and paralegal fees, and all other costs of operating, maintaining and selling the Property, together with interest thereon at the Default Rate to the date of sale, **second** to the payment of interest then due at the Interest Rate or at the Default Rate, as applicable, on the unpaid principal sum of the Note, **third** to the payment of the unpaid principal sum of the Note, **fourth** to the payment of any late charges and other sums due from Borrower to Lender under any document or instrument delivered by Borrower, or at Borrower's direction, to Lender in connection with the Note, **fifth** to pay the entire outstanding principal balance of Borrower's Obligations; **sixth**, to pay and obtain releases of all liens and encumbrances against the Property; and **last**, to pay the remainder of the sale proceeds, if any, to Borrower upon the delivery and surrender of the Property to the purchaser or as otherwise required by Illinois law (as may be amended from time to time, the "Act").

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(c) **Right to Receiver.** Upon or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed shall, upon petition by Lender, appoint a receiver for the Property in accordance with the Act. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Borrower or JRB at the time of application for such receiver and without regard to the value of the Property whether the same shall be then occupied as a homestead or not and Lender hereunder or any other holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Property (i) during the pendency of such foreclosure suit, (ii) in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, and (iii) during any further times when Borrower, but for the intervention of such receiver, would be entitled to collect such rents, issues and profits. Such receiver also shall have all other powers and rights that may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Property during said period, including, to the extent permitted by law, the right to lease all or any portion of the Property for a term that extends beyond the time of such receiver's possession without obtaining prior court approval of such lease. The court from time to time may authorize the application of the net income received by the receiver in payment of the Borrower's Obligations, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien.

(d) **Remedies Under Loan Documents.** Lender shall be entitled to exercise any remedy under any other Loan Document or as may be available under law, in addition to or in lieu of the other remedies set forth in this Section.

(e) **Purchase by Lender.** In the case of any sale of the Property pursuant to any judgment or decree of any court at public auction or otherwise, Lender may become the purchaser, and for the purposes 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.

(f) **Expenses.** In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Lender for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publications costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to the title as Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Property. All expenditures and expenses of the nature mentioned in this paragraph and such other expenses and fees as may be incurred in the enforcement of Borrower's Obligations, the protection of said Property and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Lender in any litigation or proceeding affecting this Mortgage, the Note or the Property, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threaten suit or proceeding shall be immediately due and payable by Borrower, with interest

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thereon until paid at the Default Rate and shall be secured by this Mortgage.

(g) Lender's Right of Possession in Case of Default. At any time after an Event of Default has occurred, Borrower shall, upon demand of Lender, surrender to Lender possession of the Property. Lender, in its discretion, may, with process of law, enter upon and take and maintain possession of all or any part of the Property, together with all documents, books, records, papers and accounts relating thereto, and may exclude Borrower and its employees, agents or servants therefrom, and Lender may then hold, operate, manage and control the Property, either personally or by its agents. Lender shall have full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Property, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent. Without limiting the generality of the foregoing, Lender shall have full power to:

(i) cancel or terminate any lease or sublease for any cause or on any ground which would entitle Borrower to cancel the same;

(ii) elect to disaffirm any lease or sublease which is then subordinate to the lien hereof;

(iii) extend or modify any then existing leases and to enter into new leases, which extensions, modifications and leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the Maturity Date and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Borrower and all persons whose interests in the Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser;

(iv) make any repairs, renewals, replacements, alterations, additions, betterments and improvements to the Property as Lender deems are necessary;

(v) insure and reinsure the Property and all risks incidental to Lender's possession, operation and management thereof; and

(vi) receive all of such avails, rents, issues and profits.

(h) Application of Income Received by Lender. Lender, in the exercise of the rights and powers hereinabove conferred upon it, shall have full power to use and apply the avails, rents, issues and profits of the Property to the payment of or on account of the following, in such order as Lender may determine: (i) to the payment of the operating expenses of the Property, including cost of management and leasing thereof (which shall include compensation to Lender and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized; (ii) to the payment of taxes and special assessments now due or which may hereafter become due on the Property; and (iii) to the payment of any indebtedness, including any deficiency which may result from any foreclosure sale.

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(i) **Rights Cumulative.** Each right, power and remedy herein conferred upon Lender is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing under any of the Loan Documents or at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by Lender, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of Lender in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any Event of Default or acquiescence therein.

(j) **Sale of Personal Property.** Exercise any or all of the remedies of a secured party under the Uniform Commercial Code with respect to that portion of the Property constituting personal property ("Personal Property"). If Lender should proceed to dispose of any of the Personal Property in accordance with the provisions of the Uniform Commercial Code, five (5) days' notice by Lender to Borrower shall be deemed to be commercially reasonable notice under any provision of the Uniform Commercial Code requiring notice.

(k) **Due On Sale.** Notwithstanding any other provision of any Loan Documents, the outstanding principal balance of the Loan and all accrued, unpaid interest thereon shall be due and payable upon the sale or assignment by Borrower of any part of the Property. Borrower shall, notwithstanding anything to the contrary contained in the Note or in the Loan Documents including without limitation the provisions of 1(b) and 1(c) of the Note), promptly utilize the proceeds of the sale to: first, pay off that indebtedness owing to Citizens National Bank, a national banking association, secured as of the date hereof by the particular Component of the Real Estate the subject of the sale, second to pay off the Loan indebtedness evidenced by the Note in accordance with Section 2 Application of Payments of the Note, and third, as otherwise provided under the Operating Agreement of Borrower dated June 2007.

9. **Method of Taxation.** If any law of the State of Illinois passed after the date of this Mortgage (i) deducts from the value of land for the purposes of taxation any lien thereon and imposes upon Lender a tax in lieu thereof, (ii) provides or changes in any way the laws respecting the taxation of mortgages or the notes or debts secured by mortgages for State or local purposes or (iii) changes the manner of the collection of any such taxes, and the law affects this Mortgage, the other Loan Documents, or the indebtedness secured hereby, then Lender shall have the right to require payment of the Note and any other of Borrower's Obligations affected thereby on the date thirty (30) days after Lender demands payment, unless Borrower has lawfully paid or satisfied such tax or other financial burden imposed on Lender without violation of usury or other laws. If any stamp tax, recording tax or similar tax or imposition is hereafter claimed by any governmental authority to be due and payable on or in respect of the Loan Documents, then Borrower shall promptly pay and discharge the same on demand. No condition, term or provision of this Section shall require Borrower to pay any income tax or any other tax now imposed on Lender or any income tax hereafter imposed on Lender.

10. **Application of Uniform Commercial Code.** This Mortgage shall be deemed to be a

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security agreement and a financing statement with respect to the Property, or any part thereof, and Borrower and JRB, as their interest appear, hereby grant to Lender a security interest in the Property and the proceeds thereof pursuant to the Uniform Commercial Code. Upon the occurrence of an Event of Default, Lender may assert any or all of the remedies accorded a secured party under the Uniform Commercial Code. Borrower and JRB authorizes Lender to execute and file any financing statements and continuations thereof that Lender may deem necessary or appropriate. Borrower shall pay all costs and expenses of filing such financing statements and continuations.

11. Environmental Indemnity. Borrower agrees to protect, defend (with counsel reasonably acceptable to Lender and at Borrower's sole cost), indemnify and hold Lender and Lender's affiliates, shareholders, directors, officers, employees, members, managers, and agents free and harmless from and against all losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), expenses of any kind or nature whatsoever (including attorneys', paralegals' and experts' fees, fees for environmental audits and disbursements and expenses incurred in investigating, defending against or prosecuting any litigation, claim or proceeding) which may at any time be imposed upon, incurred by or asserted or awarded against Lender or any of them in connection with or arising from or out of:

- (a) Any Hazardous Material, as that term is hereinafter defined, on, in, under or upon all or any portion of the Property, or the ground thereon;
- (b) Any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement contained or referred to in this Section 11;
- (c) Any violation or claim of violation by Borrower of any Environmental Law, as that term is hereinafter defined; or
- (d) The imposition of any lien for the recovery of any costs for the cleanup, release or threatened release of Hazardous Material.

For purposes hereof, Hazardous Materials shall mean, but is not limited to, any substance, chemical, material or waste (a) the presence of which causes a nuisance or trespass of any kind; (b) which is regulated by any federal, state or local governmental authority because of its toxic, flammable, corrosive, reactive, carcinogenic, mutagenic, infectious, radioactive, or other hazardous property or because of its effect on the environment, natural resources or human health and safety, including, but not limited to, petroleum and petroleum products, asbestos-containing materials, polychlorinated biphenyls, lead and lead-based paint, radon, radioactive materials, flammables and explosives; or (c) which is designated, classified, or regulated as being a hazardous or toxic substance, material, pollutant, waste (or a similar such designation) under any federal, state or local law, regulation or ordinance, including under any environmental law such as the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. §9601 et seq.) ("CERCLA"), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. §11001 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. §1801 et seq.), or the Clean Air Act (42 U.S.C. §7401 et seq.).

For purposes hereof, Environmental Law shall mean shall mean any and all federal, state and

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local laws (whether under common law, statute, rule, regulation or otherwise), requirements under permits or other authorizations issued with respect thereto, and other orders, decrees, judgments, directives or other requirements of any governmental authority relating to or imposing liability or standards of conduct (including disclosure or notification) concerning protection of human health or the environment or Hazardous Materials or any activity involving Hazardous Materials, all as previously and in the future to be amended.

The liability under this Section 11 shall arise only from the matters which occur or arise (in whole or in part) prior to Lender taking actual possession and control of the Property and shall not apply to any matters resulting solely from the acts of Lender. The foregoing representations, warranties, covenants, agreements and indemnification shall survive repayment of the Note or any transfer of the Property by foreclosure or by a deed in lieu of foreclosure. Borrower, its successors and assigns, hereby waives, release and agree not to make any claim or bring any cost recovery action against Lender under CERCLA or any state equivalent, or any similar law now existing or hereafter enacted, except for matters resulting solely from the acts of Lender. It is expressly understood and agreed that to the extent that Lender is strictly liable under any such law, regulation, ordinance or requirement, Borrower's obligation to Lender under the foregoing indemnity shall likewise be without regard to fault on the part of Borrower with respect to the violation or condition which results in liability to Lender.

12. Miscellaneous Provisions.

(a) **Separate Sales.** Any real estate or any interest or estate therein sold pursuant to any writ of execution issued on a judgment obtained by virtue of the Loan Documents, or pursuant to any other judicial proceedings under this Mortgage, may be sold in one parcel, as an entirety, or in several parcels, and in such manner or order as Lender may elect, in its reasonable discretion.

(b) **Waiver.** To the full extent that is lawful, Borrower and JRB hereby waive and release and agree that they will not insist upon, plead or in any way take advantage of (i) any benefit that might accrue to Borrower and/or JRB by virtue of any present or future law exempting all or any portion of the Property or the proceeds thereof from any sale, attachment or levy or sale on execution, (ii) any present or future law providing for any appraisal, valuation, stay of execution, redemption, moratorium or extension of time for payment, and (iii) any right to a marshalling of assets. Without limiting the generality of the foregoing, Borrower and JRB hereby expressly waive any and all rights of redemption from sale on behalf of Borrower and/or JRB and all persons whom it may legally bind who hereafter acquire any interest in the Property.

(c) **Consent to Jurisdiction.** Borrower and JRB irrevocably (i) agree that Lender may (and Borrower and JRB shall) bring any suit, action or other legal proceedings arising out of this Mortgage, Borrower's Obligations or any other transactions or matters contemplated hereby in the courts of the State of Illinois in Cook County, or the courts of the United States having jurisdiction over Cook County, Illinois, (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding, and (iii) waives its right to trial by jury.

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(d) **Notices.** All notices and demands under any Loan Document shall be in writing and shall be deemed to be delivered only when (i) actually received or (ii) deposited in the United States mail (certified or registered mail, postage prepaid, return receipt requested) and addressed to Borrower or Lender as follows:

Borrower:

James Equities Land Fund I, LLC
65 East Wacker Place
Suite 2300
Chicago, IL 60601
John R. Burns
jburns@cooperconlin.com

JRB:

John R. Burns
65 East Wacker Place
Suite 2300
Chicago, IL 60601
jburns@cooperconlin.com

with a copy to:

David C. Kluever
Kluever & Platt, LLC
65 East Wacker Place, Suite 2300
Chicago, IL 60601
312-201-6677
312-236-0514 Fax
davidkluever@kandpllc.com

Lender:

MaxFAR, LLC
1920 North Clark Street
Number Seventeen
Chicago, Illinois 60614
Attention: Member

or to any other address Lender or Borrower may designate from time to time by written notice.

(e) **Modification of Mortgage.** A modification, amendment or waiver of any provision of this Mortgage or any other of the Loan Documents shall be effective only if the modification, amendment or waiver is set forth in a written instrument executed by Lender and Borrower (and JRB to the extent it pertains or affects Parcel II), and any such waiver shall be effective only for

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the specific purpose and in the specific instance for which Lender and Borrower granted the waiver.

(f) No Waiver/Remedies Cumulative. Neither failure nor delay on the part of Lender in exercising any right, power or privilege under this Mortgage or any of the other Loan Documents shall operate as a waiver of such right, power or privilege, and no single or partial exercise by Lender of any such right, power or privilege shall preclude any further exercise thereof or the exercise of any other right, power or privilege. No notice to or demand on Borrower and/or JRB shall (i) entitle Borrower and/or JRB to any notices or demands in any circumstances, or (ii) constitute a waiver of Lender's rights or powers to take any action in any circumstances without notice or demand. No remedy conferred in this Mortgage or in any of the other Loan Documents upon Lender is intended to be exclusive of any other remedy and each shall be cumulative and shall be in addition to every other remedy now or hereafter existing at law or in equity or by statute or otherwise.

(g) Successors and Assigns. All the terms and provisions of this Mortgage shall be binding upon and inure to the benefit of Lender, Borrower and JRB and their respective heirs, successors, assigns and legal representatives. Whenever this Agreement refers to Lender, Borrower or JRB, such reference shall be deemed to include their respective heirs, successors, assigns and legal representatives.

(h) Survival. All covenants, agreements, representations, and warranties made in this Mortgage shall (i) survive the delivery of the Loan Documents to Lender, and (ii) continue in full force and effect until the indebtedness secured by this Mortgage is fully paid and all of Borrower's Obligations are fully satisfied.

(i) Severability. In the event that one or more of the conditions, terms or provisions of this Mortgage or any of the other Loan Documents is determined to be invalid, illegal or unenforceable in any respect, then the validity, legality or enforceability of the remaining conditions, terms and provisions of this Mortgage and the other Loan Documents shall not be affected or impaired thereby.

(j) Section Headings/Construction. The section headings used in this Mortgage are for convenience only and shall not be construed to modify, enlarge or limit the substance of the conditions, terms and provisions of this Mortgage. Each covenant and agreement made in this Mortgage shall be construed as being independent of each other covenant and agreement set forth herein, and compliance with any one covenant or agreement shall not be deemed to excuse compliance with any or all other covenants and agreements.

(k) Future Advances. This Mortgage secures future obligations and advancements up to a maximum amount of One Million Four Hundred Fifty Thousand and no/100th Dollars (\$1,450,000.00) and all future modifications, extensions and renewals of any indebtedness or obligations secured by this Mortgage.

(l) Lender Not Joint Venturer or Partner. Borrower, JRB and Lender acknowledge

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and agree that in no event shall Lender be deemed to be a partner or joint venturer with Borrower and/or JRB. Without limitation of the foregoing, Lender shall not be deemed to be such a partner or joint venturer on account of its becoming a Lender in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of Borrower's Obligations secured hereby, or otherwise.

(m) Care by Lender. Lender shall be deemed to have exercised reasonable care in the custody and preservation of any of the Property in its possession if it takes such action for that purpose as Borrower (and/or JRB as to Parcel II) requests in writing, but failure of Lender 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 Lender to preserve or protect any rights with respect to such Property against prior parties, or to do any act with respect to the preservation of such Property not so requested by Borrower (and/or JRB as to Parcel II), shall be deemed a failure to exercise reasonable care in the custody or preservation of such Property.

(n) Indemnity. Borrower shall indemnify, defend and hold harmless Lender from and against, and, upon demand, reimburse Lender for, all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses, including, without limitation, attorneys' and paralegals' fees and disbursements, which may be imposed upon, asserted against or incurred or paid by Lender by reason of, on account of or in connection with any bodily injury or death or property damage occurring in, upon or in the vicinity of the Property through any cause whatsoever, or asserted against Lender on account of any act performed or omitted to be performed under the Loan Documents or on account of any transaction arising out of or in any way connected with the Property or the Loan Documents, except as a result of the willful misconduct or gross negligence of Lender.

(o) Legal Existence. Borrower agrees that so long as any of its obligations hereunder, or under any of the Loan Documents, remain unsatisfied, it will not dissolve or liquidate (in whole or in part) its existence, that it will maintain its existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into corporation, limited liability company, partnership, or other entity, without the prior express written consent of Lender.

(p) Subrogation. To the extent that Lender, on or after the date hereof, pays any sum due under any provision of law or any instrument or document creating any lien prior or superior to the lien of this Mortgage, or Borrower or JRB or any other person pays any such sum with the proceeds of any loan under Borrower's Obligations, Lender shall have and be entitled to a lien on the Property equal in priority to the lien discharged, and Lender 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 Lender in securing Borrower's Obligations. Lender shall be subrogated, notwithstanding their release of record, to any lien under any mortgage or deed of trust, superior titles, vendors' liens, mechanics' liens, and any other liens, charges, encumbrances, rights and equities on the Property, to the extent that any obligation under any thereof is paid or discharged with proceeds of disbursements or advances under the Note or of other Borrower's Obligations secured hereby.

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[SIGNATURE PAGE FOLLOWS IMMEDIATELY]

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IN WITNESS WHEREOF, Borrower, for itself and its successors and assigns, has executed this Mortgage, on the date indicated above.

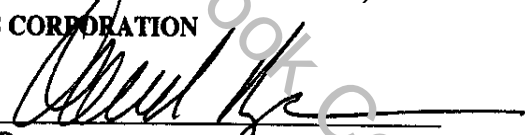
**JAMES EQUITIES LAND FUND I, LLC,
AN ILLINOIS LIMITED LIABILITY COMPANY**

BY: ALL OF ITS MANAGERS:

**BY: ITS MANAGER,
JAMES EQUITIES, INC.,
AN ILLINOIS CORPORATION**

BY: 
ITS: PRESIDENT
NAME: JOHN R. BURNS

**BY: ITS MANAGER,
LOGAN/BUCKTOWN INVESTMENT CORP,
AN ILLINOIS CORPORATION**

BY: 
ITS: PRESIDENT
NAME: DAVID C. KLUEVER



JOHN R. BURNS

Office of Cook County Clerk's Office

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STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

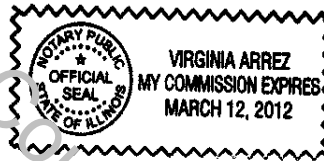
Before me, a Notary Public in and for said County and State, personally appeared John R. Burns and David C. Kluever, who, being first duly sworn, acknowledged the execution of the above and foregoing instrument for and on behalf of JAMES EQUITIES LAND FUND I, LLC, an Illinois limited liability company.

Dated this March day of 27, 2009.

My commission expires:
3/12/12

Virginia Arrez
Virginia Arrez, Notary Public
(Printed)

County of Residence:
Cook



STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

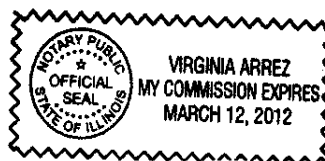
Before me, a Notary Public in and for said County and State, personally appeared John R. Burns, who, being first duly sworn, acknowledged the execution of the above and foregoing instrument.

Dated this March day of 27, 2009.

My commission expires:
3/12/12

Virginia Arrez
Virginia Arrez, Notary Public
(Printed)

County of Residence:
Cook



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This instrument prepared by and return recorded copy to: MKS Attorneys at Law, LLC, 225 West Hubbard Street, Suite 650, Chicago, Illinois 60654: Attention: Member

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EXHIBIT "A" LEGAL DESCRIPTION OF THE REAL ESTATE

Parcel I: 2357 North Milwaukee Avenue, Chicago, Illinois

Lots 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25 in Snowhooks Subdivision, being a Subdivision in the East half of the Northwest quarter and the West 7.44 chains of the Northeast quarter of Section 36, Township 40 North, Range 13, East of the Third Principal Meridian, according to the Plat thereof recorded August 22, 1884 as document 569245 in Book 19, Page 42, in Cook County, Illinois.

Tax Identification Numbers:

13-36-103-002
13-36-103-003
13-36-103-004
13-36-103-005
13-36-103-006
13-36-103-007
13-36-103-021

Parcel II: 2274 North Milwaukee Avenue, Chicago, Illinois - Consisting of all of the following:

Lots 4, 5, 6 and 7 (except the Southwesterly 9.75 feet of the Northwesterly 55 feet and except the Southwesterly 2.25 feet lying Easterly of the Northwesterly 50 feet) in W. O. Cole's Subdivision of Lots 22 to 25 in Block 2 and of other parts of Blocks 2, 3 and 5 in Stave's Subdivision of that part Southwest of Milwaukee Avenue of the Northeast quarter of Section 36, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

AND EXCEPTING therefrom the following:

All rights, title and interest in and to the airspace above a horizontal plane located 28 feet Chicago City Datum, which horizontal plane is horizontal with the surface of the Northeasterly 3 feet of the Southwesterly 5.25 feet (except the Northwesterly 55 feet thereof) of Sub-Lot 7 all in W.O. Cole's Subdivision aforesaid.

PARCEL 2A

Lots 5, 6, 7, 8 and 9 in John McAssey's Resubdivision of Lots 26, 27, 28, and 29 in Block 2 of Lewis Stave's Subdivision of the Southwest part of the Northeast quarter of Section 36, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2B:

Lots 2 and 3 in W. O. Cole's Resubdivision of Lots 22 to 25 inclusive and Lots 30 to 35 inclusive in Block 2 in Stave's Subdivision of the Southwest part of the Northeast quarter of Section 36,

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Township 40 North, Range 13, East of the Third Principal Meridian, lying Southwest of the Northwestern Plant Road now Milwaukee Avenue, in Cook County, Illinois.

Tax Identification Numbers:

13-36-214-008
 13-36-214-009
 13-36-214-010
 13-36-214-018
 13-36-214-004
 13-36-214-005
 13-36-214-006
 13-36-214-007
 13-36-214-011
 13-36-214-012

Parcel III: 2211 North Milwaukee Avenue, Chicago, Illinois - Consisting of all of the following:

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

PARCEL 3A:

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

PARCEL 3B:

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

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Range 13, East of the Third Principal Meridian, lying North of the Milwaukee Plank Road, in Cook County, Illinois.

PARCEL 3C:

Lot 27 in Block 4 in C. E. Wooley's Subdivision of the 7.5 acres East and adjoining the West 17.5 acres of the Northeast quarter of Section 36, Township 40 North, Range 13, East of the Third Principal Meridian, and of Lots 19, 20 and 21 in Block 4 in Subdivision of 7.5 acres East and adjoining the West 10 acres of the Northeast quarter of Section 36, Township 40 North, Range 13, East of the Third Principal Meridian, lying North of the Milwaukee Plank Road, in Cook County, Illinois.

Tax Identification Numbers:

13-316-215-036

13-316-215-044

13-316-215-055

13-316-215-035

13-316-215-038

13-316-215-037

13-316-215-039

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EXHIBIT "B" PERMITTED EXCEPTIONS

Parcel I: 2357 North Milwaukee Avenue, Chicago, Illinois

1. Real property taxes not yet due and payable.
2. Mortgage and Security Agreement dated June 29, 2007 and recorded August 15, 2007 as document 0722731080, made by James Equities Land Fund I, LLC, to Citizens National Bank, to secure an indebtedness in the amount of \$3,650,000.00, and the terms and conditions thereof.

Mortgage Modification recorded April 29, 2009 as document 0909245114.

(Affects Parcel 1)

3. Collateral Assignment of Rents and Leases made by James Equities Land Fund I, LLC to Citizens National Bank recorded August 15, 2007 as document 0722731081.

(Affects Parcel 1)

4. Security interest of Citizens National Bank, secured party, in certain described chattels on the land, as disclosed by Financing Statement naming James Equities Land Fund I, LLC, as debtor, and recorded August 15, 2007 as document 0722731082.

(Affects Parcel 1)

5. Existing unrecorded Lease and all rights thereunder of the Lessee and of any person or party claiming by, through or under the Lessee: American Thiessen LLC, an Illinois limited liability company, and Oral Sublease by and between American Thiessen LLC and Astro Book Company and Precision Die Cutting & Finishing Co.

(Affects Parcel 1)

6. Encroachment of a one story brick building over and onto the land Westerly and Northwesterly adjoining by distances of 0.01 to 0.05 feet, more or less, as shown on a survey prepared by United Survey Service, LLC, dated February 17, 2007, Order No. 2007-17033.

(Affects Parcel 1)

7. Encroachment of a two story brick building over and onto public alley Northeasterly of and adjoining by distances of 0.71 to 0.91 feet, more or less, as shown on a survey prepared by United Survey Service, LLC, dated February 17, 2007, Order No. 2007-17033.

(Affects Parcel 1)

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Parcel II: 2274 North Milwaukee Avenue, Chicago, Illinois

8. Real property taxes not yet due and payable.
9. Mortgage and Security Agreement dated February 29, 2008 and recorded May 22, 2008 as document 0814318052, made by James Equities Land Fund I, LLC and John R. Burns, to Citizens National Bank, to secure an indebtedness in the amount of \$2,650,000.00, and the terms and conditions thereof.
- Mortgage Modification recorded April 2, 2009 as document 0909245112
- (Affects Parcels 2, 2A and 2B)
10. Collateral Assignment of Permits and Leases made by James Equities Land Fund I, LLC and John R. Burns to Citizens National Bank recorded May 22, 2008 as document 0814318053.
- (Affects Parcels 2, 2A and 2B)
11. Security interest of Citizens National Bank, secured party, in certain described chattels on the land, as disclosed by Financing Statement naming James Equities Land Fund I, LLC and John R. Burns, as debtors, and recorded May 22, 2008 as document 0814318054.
- (Affects Parcels 2, 2A and 2B)
12. Terms, provisions and conditions of the Armitage California Redevelopment Plan noted in the Certificate of Approval recorded as document numbers 97170038, 97170039, 98216962 and 98216963.
- (Affects Parcels 2, 2A and 2B)
13. Matters as disclosed by survey prepared by Certified Survey, Inc., Illinois Professional Land Surveyor No. 3408, dated December 27, 2006, last revised February 27, 2008, as follows:
- A) Possible unrecorded easements under, over, across and upon the land and adjoining property for utilities and/or drainage as evidenced by power poles, utility poles, overhead wires, phone service box, ComEd drop and drain.
- B) Encroachment upon the public right of way to the Northeast to the extent of approximately 0.03 feet by the building appurtenant to the land.
- C) Encroachment upon the public alley to the Southwest to the extent of approximately 3.0 feet, by the chain link fence appurtenant to the land.

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D) Encroachment upon the land by C.T.A. overhead structure appurtenant to property adjoining on the South to the extent of approximately 0.40 feet.

(Affects Parcels 2, 2A and 2B)

Parcel III: 2211 North Milwaukee Avenue, Chicago, Illinois

14. Real property taxes not yet due and payable.

15. Mortgage dated July 31, 2007 and recorded October 24, 2007 as document 0729705062, made by James Equities I and Fund I, LLC, to Citizens National Bank, to secure an indebtedness in the amount of \$3,500,000.00, and the terms and conditions thereof.

Mortgage Modification recorded April 2, 2009 as document 0909245113

(Affects Parcels 3, 3A, 3B and 3C)

16. Collateral Assignment of Rents and Leases made by James Equities Land Fund I, LLC to Citizens National Bank recorded October 24, 2007 as document 0729705063.

(Affects Parcels 3, 3A, 3B and 3C)

17. Security interest of Citizens National Bank, secured party, in certain described chattels on the land, as disclosed by Financing Statement naming James Equities Land Fund I, LLC, as debtor, and recorded October 24, 2007 as document 0729705064.

(Affects Parcels 3, 3A, 3B and 3C)

18. Matters disclosed by survey prepared by Douglas L. Rood, Illinois Professional Land Surveyor No. 1920 dated June 25, 2007, as follows:

A) Possible unrecorded easements under, over, across and upon the land and adjoining land for utilities and/or drainage as evidenced by overhead wires.

(Affects Parcels 3, 3A, 3B and 3C)

19. Encroachments upon the public right of way to the Southwest and the Northeast by the building appurtenant to insured premises as disclosed by survey prepared by Douglas L. Rood, Illinois

Professional Land Surveyor No. 1920 dated June 25, 2007.

(Affects Parcels 3, 3A, 3B and 3C)

20. Encroachments upon the public right of way to the East by the fence appurtenant to insured

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premises, as disclosed by survey prepared by Douglas L. Rood, Illinois Professional Land Surveyor No. 1920 dated June 25, 2007.

(Affects Parcels 3, 3A, 3B and 3C)

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